

Australia & International Holdings Limited

ABN 98 009 706 414

Financial Statements - 30 June 2023

Australia & International Holdings Limited
Corporate Directory
30 June 2023

Directors	Roger J Burrell Christopher T Burrell Gregory J Vickery Steven S Pritchard
Company secretary	Ian F Davey Saskia R Jo
Notice of annual general meeting	The annual general meeting of Australia & International Holdings Limited will be held at the offices of Burrell Stockbroking & Superannuation: Level 4, 24 Little Edward Street Spring Hill QLD 4000 Wednesday, 15 November 2023 12:00PM
Registered office	Level 4, 24 Little Edward Street Spring Hill QLD 4000 Phone: 61 7 3006 7200 Fax: 61 7 3839 6964
Principal place of business	Level 4, 24 Little Edward Street Spring Hill QLD 4000
Share register	Newcastle Capital Markets Registries Pty Limited 10 Murray Street Hamilton NSW 2303 Telephone: 61 2 4920 2877 Facsimile: 61 2 4920 2878
Auditor	PKF Brisbane Audit Level 6, 10 Eagle Street Brisbane QLD 4000
Bankers	DDH Graham Limited 18th Floor, 344 Queen Street Brisbane QLD 4000
Stock exchange listing	Australia & International Holdings Limited shares are listed on the National Securities Exchange (NSX code: AID)
Website	http://www.burrell.com.au

Australia & International Holdings Limited
Directors' Report
30 June 2023

The directors present their report, together with the financial statements of Australia & International Holdings Limited ('the Company') for the financial year ended 30 June 2023.

Directors

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

Roger J Burrell
Christopher T Burrell
Gregory J Vickery
Steven S Pritchard

Company Secretary

Ian F Davey
Saskia R Jo

Principal Activities

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

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

Operating Results and Dividends

The net profit for the Company after tax for the financial year ended 30 June 2023 was \$166,027 (2022: \$239,211).

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

Final dividend

	30-Jun-23	30-Jun-22
	\$	\$
Final dividend paid	<u>91,421</u>	<u>74,587</u>
Year ended	30/06/2022	30/06/2021
Cents per share	5.5 ¢	4.5 ¢
Franking %	100%	80%
Date paid	14/10/2022	3/11/2021

Interim dividend

	30-Jun-23	30-Jun-22
	\$	\$
Interim dividend paid	<u>104,925</u>	<u>82,942</u>
Half-year ended	31/12/2022	31/12/2021
Cents per share	6 ¢	5 ¢
Franking %	100%	100%
Date paid	12/04/2023	11/04/2022

Corporate Structure

Australia & International Holdings Limited is an entity incorporate and domiciled in Australia, and listed on the National Stock Exchange of Australia (NSX: AID).

Australia & International Holdings Limited
Directors' Report
30 June 2023 (continued)

Changes in Issued Capital

During the financial year ended 30 June 2023, the Company raised a capital of \$244,358 (before costs), 83,115 New Shares, through a Non-Renounceable Entitlement Offer at \$2.94 each New Share on the basis of one New Share for every twenty shares held.

The Company also issued 7,369 shares during the year, for total of \$23,358 (before costs), under the Dividend Reinvestment Plan.

Review of operations

Financial year 2022/23 saw the domestic share market perform above expectations climbing a wall of worry with ongoing persistent inflation, potential for global recession and the ongoing war in Ukraine creating numerous risks for investor sentiment. Although the financial year consisted of central banks raising interest rates at the steepest rate in recent history, investors looked through these challenges with all industry sectors generating positive returns. Technology was the standout performer up more than 30% regaining some of the losses from the year before. Resources leveraged to the green economy also fared well with lithium and other battery mineral companies also generating strong returns. On the flipside, those sectors exposed to the higher interest rate environments as well as defensive sectors such as Real Estate Investment Trusts and Healthcare respectively, lagged the broader market.

The ASX Small Ordinaries Index rose a modest 5.30% in financial year 2022/23 as smaller resource companies struggled to find investor support outside of the battery mineral and lithium space. Gold sector consolidation activity increased with the possibility for further M&A in the space going forward. China's sluggish economic recovery post- COVID has also caused further negative sentiment in the resources sector overall. Within the small-cap sector however, there are companies that traded at cheaper valuations that have strong balance sheets and pricing power and that pay solid fully franked dividends.

The recent run up in international markets in the last six months has been caused by euphoria over artificial intelligence and investor expectations for central banks to begin cutting interest rates. The ten largest companies in the S&P 500 drove most of the index increases. This has led to high valuations amongst some companies in a select few sectors, and has masked relative value in other parts of the market. Fears around a slowing global economy and possible recession along with ongoing geopolitics highlighted by the war in Ukraine and still relatively high inflation rates may cause some volatility in the coming months and thereby providing attractive opportunities to add good quality global brand name companies to the portfolio at more attractive prices. The MSCI All Country World Ex-Australia Index has seen strong performance since the start of the calendar year mainly attributed to outperformance of a select number of technology companies. With high valuations and potential for earnings disappointment in the future, market volatility is likely to increase.

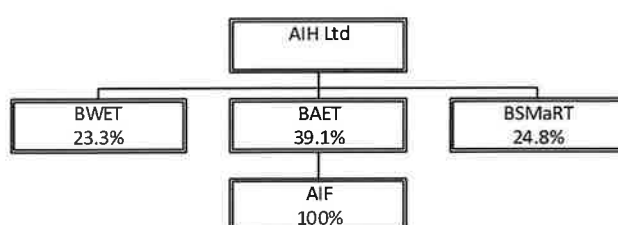
Australia & International Holdings Limited
Directors' Report
30 June 2023 (continued)

Structure

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

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

As at 30 June 2023 approximately 88% of AIH's investment portfolio comprised of investments in BAET, BWET and BSMaRT in the percentages of 53.4%, 23.6% and 11.3% respectively. This was achieved through the following ownership structure, whereby AIH owned 39.1% of the units on issue in BAET, 23.3% of the units on issue in BWET and 24.8% of the units on issue in BSMaRT.



Performance Outcomes

Net Return

The post-tax and pre-tax net returns to shareholders are shown in the following table. These 'net returns' are not directly comparable to publicly reported share price or accumulation indices because they are after costs have been deducted for managing and administering the portfolios and the Company. In the case of the post-tax returns, it is also after an allowance for tax at the rate of 30% has been deducted from operating profits and on the increases in value of the investment portfolios. Further, the return shareholders in AIH received from dividends are mostly franked. As such we look at the 'gross returns' from the individual investment portfolios.

Net returns to shareholders for the financial year ended:	30-Jun-23	30-Jun-22
	%	%
Post-tax return	7.73	(1.42)
Pre-tax return	8.41	(3.86)

Australia & International Holdings Limited
Directors' Report
30 June 2023 (continued)

Gross Returns

For comparative purposes the international portfolio is benchmarked against the "MSCI" World (excluding Australia) Accumulation Index in local currency; and, the Australian long-term portfolio against the ASX All Ordinaries Accumulation Index. Small-mid Cap and Resources portfolio is benchmark against Small Ordinaries Index.

The performances of the individual portfolios the Company invested in for the financial year ended 30 June 2023 and the comparative period are as follows:

	30-Jun-23	30-Jun-22
	%	%
Burrell Australian Equities Trust (excl. AIF)	12.6	2.4
Burrell Australian Equities Trust (incl. AIF)	12.6	2.4
Burrell World Equities Trust	17.5	(4.1)
Burrell Small-cap, Mid-cap and Resources Trust	12.2	(2.9)
S&P/ASX All Ords Accumulation Index	14.8	(7.4)
Australian Small Ordinaries Accumulation Index	8.5	(19.5)
MSCI World Index ex Australia (in Australian dollar terms)	16.9	(8.3)

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

	30-Jun-23	30-Jun-22
	%	%
Energy	5.4	5.6
Materials	14.2	15.4
Industrials	8.0	6.6
Consumer discretionary	6.5	5.6
Consumer staples	3.9	5.4
Financials	37.3	37.1
Real estate investment trusts	0.7	1.6
Managed funds and LICs	7.1	7.1
Exchange traded funds	-	0.5
Others – Health care, Information technology, Telecomms and Utilities	16.9	15.1

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

	30-Jun-23	30-Jun-22
	%	%
Australia & New Zealand	76.6	76.4
Americas	7.5	6.6
United Kingdom	0.2	0.2
Europe excl. United Kingdom	2.8	2.6
Asia Pacific excl. Australia	0.7	1.1
Global	12.2	13.1

Securities representing 5% or more of the combined investments and trading portfolio are:

	30-Jun-23	30-Jun-22
	% of portfolio	% of portfolio
Commonwealth Bank of Australia	7.6	7.7

Australia & International Holdings Limited
Directors' Report
30 June 2023 (continued)

Net Asset Value per Share

	30-Jun-23	30-Jun-22
Net asset value post- tax	\$3.16	\$3.04
Net asset value pre- tax	\$3.43	\$3.27

Earnings per Share

	30-Jun-23	30-Jun-22
Earnings per share based on the net operating result (cents)	9.69 ¢	14.42 ¢

Significant Changes in State of Affairs

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

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Likely developments and expected results of operations

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

Environmental regulation

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

Information on directors

Name:	Roger J Burrell
Title:	Chairman
Qualifications:	B. Com, L.L.B., F Fin, F.A.I.C.D., Dip Fin, Dip FMBM.
Experience and expertise:	Roger has been a Director since 1987. He is also Principal of his own legal firm and Legal Consultant to QM Properties Group. Roger is a former Partner at national law firm Clayton Utz (1987 – 2000) and former Partner (2000 – 2006) and Consultant (2006 – 2011) at Phillips Fox (subsequently DLA Piper/ DLA Phillips Fox).
Other current directorships:	Burrell Stockbroking Pty Ltd and related entities
Former directorships (in the last 3 years):	Multiple Sclerosis Society of Queensland (MSQ)
Interests in shares:	88,208 beneficially held Fully Paid Ordinary Shares.
Interests in options:	None.

Australia & International Holdings Limited
Directors' Report
30 June 2023 (continued)

Name:	Christopher T Burrell
Title:	Director
Qualifications:	M.F.M, B. Com (Hons), L.L.B. (Hons), F.C.A., SF Fin, M.S.A.A.
Experience and expertise:	Chris has been a Director since 1983. He was the Company's Chairman from 1983 to 2002. He has held the position of Managing Director of Burrell Stockbroking Pty Ltd since 1997. He was a Partner at Coopers and Lybrand, Chartered Accountants, for 15 years; a previous Director of Queensland electricity retailer, Ergon; a former member of the Industrial Research & Development Committee within the Commonwealth Department of Industry, Science and Resources; and a former State Councillor for the Securities Institute of Australia.
Other current directorships:	Burrell Stockbroking Pty Ltd and related entities, and Director of The Donald and Joan Wilson Foundation.
Former directorships (in the last 3 years):	None.
Interests in shares:	317,359 beneficially and 173,657 non-beneficially held Fully Paid Ordinary Shares.
Interests in options:	None.
Name:	Gregory J Vickery
Title:	Director
Qualifications:	AO, F.A.I.C.D
Experience and expertise:	Greg has been a Director since 2020. He is a Senior Consultant at Norton Rose Fulbright, a global law firm, and was previously a Partner of the same firm for 40 years. He is a company and resources lawyer with a special interest and experience in corporate governance. He was for 10 years on the influential Federal Government Body CAMAC, which advised Treasury on the regulation of Companies and Markets.
Other current directorships:	Burrell Stockbroking Pty Ltd and related entities; Blue Economy CRC Ltd
Former directorships (in the last 3 years):	None.
Interests in shares:	6,392 beneficially held Fully Paid Ordinary Shares.
Interests in options:	None.

Australia & International Holdings Limited
Directors' Report
30 June 2023 (continued)

Name:	Steven S Pritchard
Title:	Director
Qualifications:	Bachelor of Commerce, Certified Practising Accountant, Registered Tax Agent, Fellow Taxation Institute of Australia, Graduate Diploma Applied Finance and Investment, and Fellow of Financial Services Institute of Australasia, Previously a member of the Stock Exchange of Newcastle Limited
Experience and expertise:	Steven has many years of experience in providing strategic and financial advice to a broad range of clients in the financial services industry.
Other current directorships:	Lansdowne Investment Company Pty Ltd (since 1 April 2022), Illuminator Investment Company Limited (since 22 December 2003), Florin Mining Investment Company Limited (since 29 September 2004), Pritchard Equity Limited (since 10 May 2002) and Winpar Holdings Limited (since 4 July 2004).
Former directorships (in the last 3 years):	None.
Interests in shares:	2,883 beneficially held Fully Paid Ordinary Shares.
Interests in options:	None.

Company Secretary

Ian Davey (BBus, CPA) has been a Company Secretary of the Company since 2002 and is also a Director of Burrell & Co Holdings Pty Ltd and Burrell Stockbroking Pty Ltd. Prior to joining the Company, he was the Financial Controller of James Engineering Pty Ltd (1985 – 2000).

Saskia Jo (BCom, CPA, GIA) joined Burrell Stockbroking Pty Ltd in November 2021. Prior to joining the Company, she was a Company Secretary for Factor Therapeutics Limited and has over 15 years experience as a commercial accountant.

Meetings of directors

The number of meetings of the company's Board of Directors held during the year ended 30 June 2023, and the number of meetings attended by each director was:

	Full Board	
	Held	Attended
Roger J Burrell	4	3
Christopher T Burrell	4	4
Gregory J Vickery	4	4
Steven S Pritchard	4	3

Held: represents the number of meetings held during the time the director held office.

Retirement, election and continuation in office of directors

Mr. Roger Burrell and Mr. Gregory Vickery are the Directors retiring by rotation. Both Roger Burrell and Gregory Vickery, being eligible, offer themselves for re-election.

Australia & International Holdings Limited
Directors' Report
30 June 2023 (continued)

Remuneration report (audited)

No remuneration was paid to the Directors during the year ended 30 June 2023. No other management or staff is employed by the Company.

Directors' shareholdings

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

	Balance at the start of the year	Additions	Disposals	Balance at the end of the year
Mr C T Burrell	302,247	15,112	-	317,359
Mr C T Burrell (non-beneficial owner)	165,388	8,269	-	173,657
Mr R J Burrell	84,008	4,200	-	88,208
Mr G J Vickery	-	6,392	-	6,392
Mr S S Pritchard	2,447	436	-	2,883
	<u>554,090</u>	<u>34,409</u>	<u>-</u>	<u>588,499</u>

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

Other transactions with Directors and Director-related entities

Mr C T Burrell, Mr G J Vickery and Mr R J Burrell are Directors of Burrell Stockbroking Pty Ltd. This company provides stockbroking and secretarial, portfolio administration and management services to the Company. An amount of \$2,504 (2022: \$425) in brokerage was paid by the Company to Burrell Stockbroking Pty Ltd during the year, and an amount of \$20,696 (2022: \$21,155) was paid in respect of the other services.

Other details relating to Directors are set out at Note 22. Related Parties, in the Notes to and forming part of the Financial Statements for the year ended 30 June 2023.

Except as otherwise disclosed, no Director of the Company has received, or has become entitled to receive, a benefit because of a contract that the directors, or a firm of which the director is a member, or an entity in which the Director has a substantial financial interest, has made (during the year ended 30 June 2023 or at any other time) with the Company; or an entity that the Company controlled, or a body corporate that was related to the Company, when the contract was made or when the Director received, or became entitled to receive, the benefit.

Issue of shares

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2023.

Options

There were no options issued to directors and other key management personnel as part of compensation during the year ended 30 June 2023.

There were no options granted to or exercised by directors and other key management personnel as part of compensation during the year ended 30 June 2023.

This concludes the remuneration report, which has been audited.

Australia & International Holdings Limited
Directors' Report
30 June 2023 (continued)

Indemnity and insurance of officers

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

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

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

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

Proceedings of behalf of the company

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

Non-audit services

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

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

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

Auditor's independence declaration

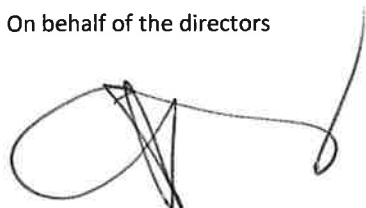
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 10.

Auditor

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

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

On behalf of the directors

A handwritten signature in black ink, appearing to be 'Gregory J Vickery', written over a horizontal line.

Gregory J Vickery

Director

6 September 2023
Brisbane

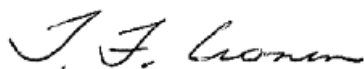
AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF AUSTRALIA & INTERNATIONAL HOLDINGS LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023, there have been no contraventions of:

- (a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) any applicable code of professional conduct in relation to the audit.



PKF BRISBANE



Timothy Cronin
PARTNER

Brisbane

6 September 2023

Australia & International Holdings Limited
Corporate Governance Statement
30 June 2023

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

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

Structure of the Board

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

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

Roles, Responsibilities and Functioning of the Board

The main functions and responsibilities of the Board are:

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

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

Risk Management

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

Australia & International Holdings Limited
Financial report
30 June 2023

Contents

	Page
Financial report	
Statement of profit or loss and other comprehensive income	13
Statement of financial position	14
Statement of changes in equity	15
Statement of cash flows	16
Notes to the financial statements	17
Directors' declaration	35
Independent auditor's report to the members of Australia & International Holdings Limited	36

General information

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

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

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

Level 4, 24 Little Edward Street
Brisbane QLD 4000

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

The financial report was authorised for issue, in accordance with a resolution of directors, on 6 September 2023. The directors have the power to amend and reissue the financial report.

Australia & International Holdings Limited
Statement of profit or loss and other comprehensive income
For the financial year ended 30 June 2023

	Note	2023 \$	2022 \$
Revenue	4	254,168	318,532
Expenses			
Accounting and audit fees		(16,225)	(16,412)
Legal expenses		(3,996)	(5,277)
Listing fees		(10,091)	(9,932)
Managed portfolio service fees		(4,471)	(4,743)
Secretarial expenses		(12,958)	(13,123)
Stock exchange fees		(13,911)	(15,584)
Other expenses		<u>(1,331)</u>	<u>(885)</u>
Total expenses		<u>(62,983)</u>	<u>(65,956)</u>
Profit before income tax expense		<u>191,185</u>	<u>252,576</u>
Income tax expense	5	<u>(25,158)</u>	<u>(13,365)</u>
Profit after income tax expense for the financial year attributable to the owners of Australia & International Holdings Limited	14	166,027	239,211
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Unrealised changes in the value of equity investments at fair value		213,797	(333,719)
Realised net fair value gain on equity investments at fair value		<u>42,245</u>	<u>17,795</u>
Other comprehensive income for the financial year, net of tax		<u>256,042</u>	<u>(315,924)</u>
Total comprehensive income for the financial year attributable to the owners of Australia & International Holdings Limited		<u>422,069</u>	<u>(76,713)</u>
		Cents	Cents
Basic earnings per share	21	9.69 ¢	14.42 ¢
Diluted earnings per share	21	9.69 ¢	14.42 ¢

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

Australia & International Holdings Limited
Statement of financial position
As at 30 June 2023

	Note	2023 \$	2022 \$
Assets			
Current assets			
Cash and cash equivalents	6	180,449	113,574
Trade and other receivables	7	124,641	126,490
Total current assets		<u>305,090</u>	<u>240,064</u>
Non-current assets			
Financial assets	8	5,743,657	5,223,190
Total non-current assets		<u>5,743,657</u>	<u>5,223,190</u>
Total assets		<u>6,048,747</u>	<u>5,463,254</u>
Liabilities			
Current liabilities			
Trade and other payables	9	3,302	2,320
Income tax	10	25,269	18,974
Total current liabilities		<u>28,571</u>	<u>21,294</u>
Non-current liabilities			
Deferred tax liability	11	478,094	386,467
Total non-current liabilities		<u>478,094</u>	<u>386,467</u>
Total liabilities		<u>506,665</u>	<u>407,761</u>
Net assets		<u>5,542,082</u>	<u>5,055,493</u>
Equity			
Issued capital	12	4,277,995	4,017,129
Reserves	13	842,902	586,860
Retained profits	14	421,185	451,504
Total equity		<u>5,542,082</u>	<u>5,055,493</u>

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

Australia & International Holdings Limited
Statement of changes in equity
For the financial year ended 30 June 2023

	Note	Contributed equity \$	Reserves \$	Retained profits \$	Total equity \$
Balance at 1 July 2021		4,004,020	902,784	369,822	5,276,626
Profit after income tax expense for the financial year		-	-	239,211	239,211
Other comprehensive income for the financial year, net of tax		-	(315,924)	-	(315,924)
Total comprehensive income for the financial year		-	(315,924)	239,211	(76,713)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs	12	13,109	-	-	13,109
Dividends paid	15	-	-	(157,529)	(157,529)
Balance at 30 June 2022		<u>4,017,129</u>	<u>586,860</u>	<u>451,504</u>	<u>5,055,493</u>
	Note	Contributed equity \$	Reserves \$	Retained profits \$	Total equity \$
Balance at 1 July 2022		4,017,129	586,860	451,504	5,055,493
Profit after income tax expense for the financial year		-	-	166,027	166,027
Other comprehensive income for the financial year, net of tax		-	256,042	-	256,042
Total comprehensive income for the financial year		-	256,042	166,027	422,069
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs	12	260,866	-	-	260,866
Dividends paid	15	-	-	(196,346)	(196,346)
Balance at 30 June 2023		<u>4,277,995</u>	<u>842,902</u>	<u>421,185</u>	<u>5,542,082</u>

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

Australia & International Holdings Limited
Statement of cash flows
For the financial year ended 30 June 2023

	Note	2023	2022
		\$	\$
Cash flows from operating activities			
Payments to suppliers (inclusive of GST)		(62,984)	(69,951)
Trust distributions received from related parties		231,524	252,150
Dividends received		17,923	41,087
Interest received		6,569	280
Income taxes (paid)		<u>(18,862)</u>	<u>(6,402)</u>
Net cash from operating activities	20	<u>174,170</u>	<u>217,164</u>
Cash flows from investing activities			
Proceeds from sale of investments		47,795	47,177
Payments for investments		<u>(220,592)</u>	<u>(15,452)</u>
Net cash (used in)/from investing activities		<u>(172,797)</u>	<u>31,725</u>
Cash flows from financing activities			
Proceeds from the issue of shares	12	260,866	13,109
Dividends paid	15	<u>(195,364)</u>	<u>(157,528)</u>
Net cash from/(used in) financing activities		<u>65,502</u>	<u>(144,419)</u>
Net increase in cash and cash equivalents		66,875	104,470
Cash and cash equivalents at the beginning of the financial year		<u>113,574</u>	<u>9,104</u>
Cash and cash equivalents at the end of the financial year	6	<u><u>180,449</u></u>	<u><u>113,574</u></u>

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

Australia & International Holdings Limited
Notes to the financial statements
30 June 2023

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements for Australia & International Holdings Limited ('the Company') are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted

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

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

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Company.

Basis of preparation

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

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss and financial assets at fair value through other comprehensive income.

Critical accounting estimates

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

Operating segments

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

Revenue recognition

Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer.

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

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

Note 1. Significant accounting policies (continued)

Income tax

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

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

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

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

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

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

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

Cash and cash equivalents

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

Trade and other receivables

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

The company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance.

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

Note 1. Significant accounting policies (continued)

Investments in Associates

AASB 128 – Investments in Associates

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

Investments in the Trusts

At the end of the financial year, the company held investments in the Burrell Australian Equities Trust, the Burrell World Equities Trust and the Burrell Smallcaps Midcaps and Resources Trust ("the Trusts") representing 39.1%, 23.3% and 24.8% respectively of the units on issue of each trust. This would normally mean that the investments by the company in these entities be accounted for by adopting the AASB 128 *Investments in Associates* Accounting Standard. However, the directors have considered the nature of the company's investment in the Trusts and determined the company does not have significant influence. Accordingly, the company, as an investor, has adopted the accounting treatment under AASB 9 and recorded the investments as 'financial assets at fair value through other comprehensive income'. This has been done because all three trusts are investment vehicles which invest in the shares of listed companies and managed funds and these assets held by the trusts are accounted for as 'financial assets at fair value through other comprehensive income' assets. Therefore, the Company has 'looked through' to the nature of its underlying assets and applied the same accounting treatment to maintain consistency and avoid confusion to the readers of these financial statements. It should be noted that the affect on the net assets of the company under equity accounting and the current treatment is the same.

Investments in other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the company intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Note 1. Significant accounting policies (continued)

Impairment of financial assets

The company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Trade and other payables

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

Provisions

Provisions are recognised when the company has a present (legal or constructive) obligation as a result of a past event, it is probable the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Issued capital

Ordinary shares are classified as equity.

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

Dividends

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

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

Note 1. Significant accounting policies (continued)

Earnings per share

Basic earnings per share

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

Diluted earnings per share

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

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

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

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. 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 tax authority is included in other receivables or other payables in the statement of financial position.

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 tax authority, are presented as operating cash flows.

Note 1. Significant accounting policies (continued)

New Accounting Standards for Application in Future Periods

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2023. The company's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the company, are set out below.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Fair value measurement hierarchy

The company is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

Australia & International Holdings Limited
Notes to the financial statements
30 June 2023

Note 3. Operating segments

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

Operating segment information

	Australian Large-cap Long-Term Shares	Australian Small-Mid- cap Shares	Overseas Long-Term Shares	Intersegment eliminations/ unallocated	Total
30 June 2023	\$	\$	\$	\$	\$
Revenue					
Dividend income	17,924	-	-	-	17,924
Interest revenue	6,569	-	-	-	6,569
Trust distributions from related parties	157,345	25,163	47,167	-	229,675
Total revenue	181,838	25,163	47,167	-	254,168
Segment result	181,838	25,163	47,167	(62,983)	191,185
Profit before income tax	181,838	25,163	47,167	(62,983)	191,185
Income tax expense					(25,158)
Profit after income tax					166,027
Assets					
Segment assets	3,717,505	693,963	1,456,830	180,449	6,048,747
Total assets					6,048,747
Liabilities					
Segment liabilities	344,553	(5,066)	138,607	28,571	506,665
Total liabilities					506,665

Australia & International Holdings Limited
Notes to the financial statements
30 June 2023

Note 3. Operating segments (continued)

	Australian Large-cap Long-Term Shares	Australian Small-Mid- cap Shares	Overseas Long-Term Shares	Intersegment eliminations/ unallocated	Total
30 June 2022	\$	\$	\$	\$	\$
Revenue					
Dividend income	41,087	-	-	-	41,087
Interest revenue	280	-	-	-	280
Trust distributions from related parties	208,715	15,452	52,998	-	277,165
Total revenue	<u>250,082</u>	<u>15,452</u>	<u>52,998</u>	<u>-</u>	<u>318,532</u>
Segment result	<u>250,082</u>	<u>15,452</u>	<u>52,998</u>	<u>(65,956)</u>	<u>252,576</u>
Profit before income tax	<u>250,082</u>	<u>15,452</u>	<u>52,998</u>	<u>(65,956)</u>	<u>252,576</u>
Income tax expense					(13,365)
Profit after income tax					<u>239,211</u>
Assets					
Segment assets	3,480,692	615,883	1,253,105	113,574	5,463,254
Total assets					<u>5,463,254</u>
Liabilities					
Segment liabilities	303,093	(13,537)	96,911	21,294	407,761
Total liabilities					<u>407,761</u>

Note 4. Revenue

	2023	2022
	\$	\$
<i>Sales revenue</i>		
Dividends	17,924	41,087
Interest	6,569	280
Trust distributions from related parties	229,675	277,165
Revenue	<u>254,168</u>	<u>318,532</u>

Australia & International Holdings Limited
Notes to the financial statements
30 June 2023

Note 5. Income tax expense

	Note	2023	2022
		\$	\$
<i>Income tax expense</i>			
Current tax		25,268	18,974
Adjustment recognised for prior periods		(110)	(5,609)
		<u>25,158</u>	<u>13,365</u>
<i>Aggregate income tax expense</i>			
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>			
Profit before income tax expense		191,185	252,576
Tax at the statutory tax rate of 30%		57,356	75,773
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:			
Entertainment expenses		222	169
Tax effect of timing differences not taken up as deferred tax items		(3,402)	2,102
Tax offsets		(28,908)	(59,070)
		<u>25,268</u>	<u>18,974</u>
Adjustment recognised for prior periods		(110)	(5,609)
		<u>25,158</u>	<u>13,365</u>
<i>Income tax expense</i>			
<i>Amounts charged/(credited) directly to equity</i>			
Deferred tax liabilities	11	<u>91,627</u>	<u>(143,022)</u>

Note 6. Current assets - cash and cash equivalents

	2023	2022
	\$	\$
Cash and cash equivalents	<u>180,449</u>	<u>113,574</u>

Note 7. Current assets - trade and other receivables

	2023	2022
	\$	\$
Distributions receivable from related parties	<u>124,641</u>	<u>126,490</u>

Australia & International Holdings Limited
Notes to the financial statements
30 June 2023

Note 8. Non-current assets - financial assets

	Note	2023	2022
		\$	\$
Equity investments at fair value	17	<u>5,743,657</u>	<u>5,223,190</u>
		<u><u>5,743,657</u></u>	<u><u>5,223,190</u></u>

Reconciliation

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

Opening fair value	5,223,190	5,713,862
Additions	220,592	15,452
Disposals	(5,550)	(29,382)
Revaluation increments/(decrements)	<u>305,425</u>	<u>(476,742)</u>
Closing fair value	<u><u>5,743,657</u></u>	<u><u>5,223,190</u></u>

Refer to Note 16 for further information on financial instruments.

Note 9. Current liabilities - trade and other payables

	2023	2022
	\$	\$
Trade payables	2,320	2,320
Other payables	<u>982</u>	<u>-</u>
	<u><u>3,302</u></u>	<u><u>2,320</u></u>

Note 10. Current liabilities - income tax

	2023	2022
	\$	\$
Provision for income tax	<u>25,269</u>	<u>18,974</u>

Australia & International Holdings Limited
Notes to the financial statements
30 June 2023

Note 11. Non-current liabilities - deferred tax

	Note	2023	2022
		\$	\$
<i>Deferred tax liability comprises temporary differences attributable to:</i>			
<i>Amounts recognised in equity:</i>			
Revaluation of available-for-sale financial assets		478,094	386,467
Deferred tax liability		<u>478,094</u>	<u>386,467</u>
<i>Movements</i>			
Opening balance		386,467	529,489
Credited/(charged) to equity	5	<u>91,627</u>	<u>(143,022)</u>
Closing balance		<u>478,094</u>	<u>386,467</u>

Note 12. Equity - issued capital

	2023	2022	2023	2022
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>1,752,673</u>	<u>1,662,189</u>	<u>4,277,995</u>	<u>4,017,129</u>
<i>Movements in ordinary share capital</i>				
	Date	No. of shares	Issue price	\$
Balance	30 Jun 2021	1,657,197		4,004,020
Dividend reinvestment plan	3 Nov 2021	2,392	\$3.29	7,868
DRP cost	28 Feb 2022			(1,643)
Dividend reinvestment plan	11 Apr 2022	2,600	\$3.28	8,527
DRP cost	30 Apr 2022			<u>(1,643)</u>
Balance	30 Jun 2022	1,662,189		4,017,129
Dividend reinvestment plan	14 Oct 2022	3,063	\$3.09	9,522
Non-renounceable Entitlement Offer	28 Nov 2022	83,115	\$2.94	244,358
Dividend reinvestment plan	12 Apr 2023	4,306	\$3.23	13,836
Entitlement Offer Cost	30 Jun 2023			(4,497)
DRP cost	30 Jun 2023			<u>(2,353)</u>
Balance	30 Jun 2023	<u>1,752,673</u>		<u>4,277,995</u>

Ordinary shares

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

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

Capital risk management

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

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

The capital risk management policy remains unchanged from the 30 June 2022 Annual Report.

Australia & International Holdings Limited
Notes to the financial statements
30 June 2023

Note 13. Equity - Reserves

	2023	2022
	\$	\$
Fair value of equity investments revaluation reserve	782,424	568,627
Fair value of equity investments realised gains reserve	60,478	18,233
	<u>842,902</u>	<u>586,860</u>

Movements in reserves

	Note	Revaluation reserve \$	Realised gains reserve \$	Total reserves \$
Balance at 1 July 2021		902,346	438	902,784
Revaluation - gross		(476,741)	-	(476,741)
Deferred tax	5	143,022	-	143,022
Realised gains		-	17,795	17,795
		<u>568,627</u>	<u>18,233</u>	<u>586,860</u>
Balance at 30 June 2022		568,627	18,233	586,860
Revaluation - gross		305,424	-	305,424
Deferred tax	5	(91,627)	-	(91,627)
Realised gains		-	42,245	42,245
		<u>782,424</u>	<u>60,478</u>	<u>842,902</u>
Balance at 30 June 2023		782,424	60,478	842,902

Fair value of equity investments revaluation reserve

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

Fair value of equity investments realised gains reserve

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

Note 14. Equity - retained profits

	Note	2023 \$	2022 \$
Retained profits at the beginning of the financial year		451,504	369,822
Profit after income tax expense for the year		166,027	239,211
Dividends paid	15	(196,346)	(157,529)
		<u>421,185</u>	<u>451,504</u>
Retained profits at the end of the financial year		421,185	451,504

Australia & International Holdings Limited
Notes to the financial statements
30 June 2023

Note 15. Equity - dividends

Dividends

Final dividend

	2023	2022
	\$	\$
Final dividend paid	<u>91,421</u>	<u>74,587</u>
Year ended	30/06/2022	30/06/2021
Cents per share	5.5 ¢	4.5 ¢
Franking %	100%	80%
Date paid	14/10/2022	3/11/2021

Interim dividend

	2023	2022
	\$	\$
Interim dividend paid	<u>104,925</u>	<u>82,942</u>
Half-year ended	31/12/2022	31/12/2021
Cents per share	6 ¢	5 ¢
Franking %	100%	100%
Date paid	12/04/2023	11/04/2022
Total dividends paid or payable	<u>196,346</u>	<u>157,529</u>

Franking credits

	2023	2022
	\$	\$
Franking credits available for subsequent financial years based on a tax rate of 30%	<u>34,536</u>	<u>56,321</u>

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

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

Note 16. Financial instruments

Financial risk management objectives

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

Market risk

Foreign currency risk

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

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

Changes in Value

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

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

Price risk

The company is not exposed to any significant price risk.

Interest rate risk

The economic entity is exposed to interest rate risk on its cash holdings, which are generally subject to floating interest rates. The effective weighted average interest rate that applied to cash balances over the financial year was 4.47% (2022: 0.46%).

Credit risk

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

Liquidity risk

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

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

Note 17. Fair Value measurement

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

- financial assets at fair value through other comprehensive income.

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

a. Fair Value Hierarchy

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

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

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

Valuation techniques

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

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

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

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

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

Australia & International Holdings Limited
Notes to the financial statements
30 June 2023

Note 17. Fair Value measurement (continued)

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

	Note	30 June 2023			Total
		Level 1 \$	Level 2 \$	Level 3 \$	
Recurring fair value measurements					
<i>Financial assets</i>					
at fair value through other comprehensive income					
shares in listed companies		399,533	-	-	399,533
units in unlisted trusts - related parties		-	5,344,124	-	5,344,124
Total financial assets recognised at fair value on a recurring basis	8	399,533	5,344,124	-	5,743,657

	Note	30 June 2022			Total
		Level 1 \$	Level 2 \$	Level 3 \$	
Recurring fair value measurements					
<i>Financial assets</i>					
Available-for-sale financial assets:					
shares in listed companies		401,627	-	-	401,627
units in unlisted trusts - related parties		-	4,821,563	-	4,821,563
Total financial assets recognised at fair value on a recurring basis	8	401,627	4,821,563	-	5,223,190

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

Description	Valuation Technique(s)	Inputs Used	Fair Value at 30 June 2023 \$
<i>Financial assets</i>			
Shares in unlisted unit trusts - related parties	Market approach using unit prices determined by underlying fair value of listed assets	Fair value of trust's listed investments	5,344,124

Australia & International Holdings Limited
Notes to the financial statements
30 June 2023

Note 18. Remuneration of auditors

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

	2023	2022
	\$	\$
<i>Audit services - PKF Brisbane Audit</i>		
Audit of financial statements	18,575	17,200
	<u>18,575</u>	<u>17,200</u>

Note 19. Events after the reporting period

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Note 20. Reconciliation of profit after income tax to cash from/(used in) operating activities

	2023	2022
	\$	\$
Profit after income tax expense for the year	166,027	239,211
Adjustments for:		
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	1,848	(25,015)
Increase/(decrease) in provision for income tax	6,295	6,963
Increase/(decrease) in other operating liabilities	<u>-</u>	<u>(3,995)</u>
Net cash from/(used in) operating activities	<u>174,170</u>	<u>217,164</u>

Australia & International Holdings Limited
Notes to the financial statements
30 June 2023

Note 21. Earnings per share

	2023	2022
	\$	\$
Profit after income tax attributable to the owners of Australia & International Holdings Limited	166,027	239,211
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	1,714,025	1,659,332
Weighted average number of ordinary shares used in calculating diluted earnings per share	1,714,025	1,659,332
	Cents	Cents
Basic earnings per share	9.69 ¢	14.42 ¢
Diluted earnings per share	9.69 ¢	14.42 ¢

Note 22. Related Parties

Investments in related trusts

	2023	2022
	\$	\$
Investments - Non-current		
Investment in the Burrell Australian Equities Trust	3,235,358	2,980,420
Investment in the Burrell World Equities Trust	1,425,499	1,225,260
Investment in the Burrell Smallcap, Midcap and Resources Trust	683,267	615,883
Total	5,344,124	4,821,563

Distributions from related trusts

Distributions received or due and receivable by the Company from:

	2023	2022
	\$	\$
The Burrell Australian Equities Trust	157,345	208,715
The Burrell World Equities Trust	47,167	52,998
The Burrell Smallcap, Midcap and Resources Trust	25,163	15,452
	229,675	277,165

Other transactions with Directors

Mr C T Burrell, Mr G J Vickery and Mr R J Burrell are Directors of Burrell Stockbroking Pty Ltd. This company provides stockbroking and secretarial, portfolio administration and management services to the Company. An amount of \$2,504 (2022: \$425) in brokerage was paid by the Company to Burrell Stockbroking Pty Ltd during the year, and an amount of \$20,696 (2022: \$21,155) was paid in respect of the other services.

Mr C T Burrell, Mr G J Vickery and Mr R J Burrell are Directors of Burrell & Co Holdings Pty Ltd. This company provides clearing and settlement services to the Company. There were no fees or charges paid by the Company to Burrell & Co Holdings Pty Ltd during the year.

Mr S S Pritchard is a Director of Newcastle Capital Market Registries Pty Limited. This company provides share registry services to the Company. An amount of \$10,802 (2022: \$9,932) was paid by the Company to Newcastle Capital Market Registries Pty Limited during the year.

Australia & International Holdings Limited
Directors' declaration

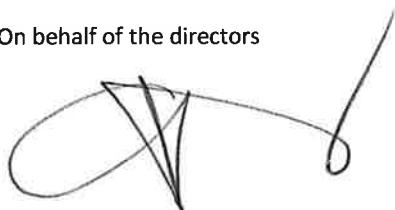
In the directors' opinion:

1. the attached financial statements and notes thereto comply with the Corporations Act 2001, the Accounting Standards as described in note 1 to the financial statements, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
2. the attached financial statements and notes thereto comply with the International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
3. the attached financial statements and notes thereto give a true and fair view of the company's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
4. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made to the Directors by the Managing Director and the Chief Financial Officer regarding the financial statements in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2023. The declarations received were that, in the opinion of the Managing Director and the Chief Financial Officer to the best of their knowledge, the financial records of the Company have been properly maintained, that the financial statements comply with accounting standards and that they give a true and fair view.

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

On behalf of the directors

A handwritten signature in black ink, appearing to be 'Gregory J Vickery', with a large, stylized loop at the end.

Gregory J Vickery
Director

Brisbane
6 September 2023

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AUSTRALIA & INTERNATIONAL HOLDINGS LIMITED

Report on the Financial Report

Opinion

We have audited the accompanying financial report of Australia & International Holdings Limited (the company), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- a) Giving a true and fair view of the company's financial position as at 30 June 2023 and of its performance for the year ended on that date; and
- b) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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

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

Independence

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

Key Audit Matters

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

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

Why significant

As at 30 June 2023 the carrying value of the investments in Burrell Australian Equities Trust, Burrell World Equities Trust and Burrell Smallcaps Midcaps and Resources Trust ("the Trusts") was \$5,344,124 (2022: \$4,821,563), as disclosed in Notes 8 & 17 representing 88.35% of total assets at that date.

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

How our audit addressed the key audit matter

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

- to assess whether the company has control or significant influence over the investments in the Trusts:
 - obtaining the position paper prepared by management and assessing whether the assumptions used by management are still appropriate.
 - assessing whether the company's accounting treatment complies with AASB 9; and
 - assessing the appropriateness of the related disclosures in Notes 1, 8 and 17.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the entity's Annual Report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' Responsibilities for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

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

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

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

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

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

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

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

Report on the Remuneration Report

Opinion

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2023.

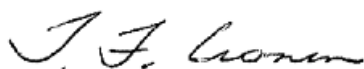
In our opinion, the Remuneration Report of Australia & International Holdings Limited for the year ended 30 June 2023 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



PKF BRISBANE AUDIT



TIMOTHY CRONIN
PARTNER

BRISBANE
6 SEPTEMBER 2023