

Australia & International Holdings Limited

ABN 98 009 706 414

Interim Financial Report for the half-year ended 31 December 2020

Australia & International Holdings Limited
Corporate Directory
31 December 2020

Directors	Bernard C E Rowley (retired: 18 November 2020) Gregory John Vickery (appointed: 18 November 2020) Christopher T Burrell Roger J Burrell Frank J Finn
Company secretary	Ian F Davey
Registered office	Level 4, 24 Little Edward Street Spring Hill QLD 4000 Phone: 61 7 3006 7200 Fax: 61 7 3839 6964
Principal place of business	Level 4, 24 Little Edward Street Spring Hill QLD 4000
Share register	Newcastle Capital Markets Registries Pty Limited 10 Murray Street Hamilton NSW 2303 Telephone: 61 2 4920 2877 Facsimile: 61 2 4920 2878
Auditor	PKF 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 Stock Exchange (NSX code: AID)
Website	http://www.burrell.com.au

Australia & International Holdings Limited
Directors' Report
For the Half-year ended 31 December 2020

The directors present their report, together with the financial statements of Australia & International Holdings Limited (the Company) for the half-year ended 31 December 2020.

Directors

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

Bernard C E Rowley (retired: 18 November 2020)
 Gregory John Vickery (appointed: 18 November 2020)
 Christopher T Burrell
 Roger J Burrell
 Frank J Finn

Principal Activities

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

Dividends

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

Final dividend

	31-Dec-20	31-Dec-19
	\$	\$
Final dividend paid	70,720	101,672
Year ended	30/06/2020	30/06/2019
Cents per share	4.5 ¢	6.5 ¢
Franking %	100%	100%
Date paid	28/10/2020	10/10/2019

Review of operations

	31-Dec-20	31-Dec-19
	\$	\$
Net profit for the Company for the half year after providing for income tax	35,699	85,717

Overview

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

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COVID-19 Pandemic

After an unprecedented year in global markets dominated by the COVID-19 pandemic, markets have continued to rebound strongly on the back of massive stimulus measures and ongoing vaccine rollout hopes. The Australian share market has recovered from a low of 4,402 on March 23 2020 to be 6,587 as at the close of trade on December 31 2020. The combination of these massive stimulus measures and ongoing low interest rate environment has seen investor money flow into global equities markets in order to find an acceptable rate of return. One of the standout points of the last 12 months has been the narrow band of winners in the market, whereby stocks focused on pandemic-proof industries such as healthcare, tech & e-commerce have been rewarded greatly whilst other industrial & "old-world" businesses have not had much investor interest. Current high valuations and recent movement in bond yields should see a rotation out of the high P/E names into these value "old-world" businesses, many of which continue to have solid earnings and will only benefit from the gradual reopening of economies.

Given this rotation out of high value US tech into more value cyclical sectors such as Banks, Energy & Real Estate, where we believe there is still good upside, the Burrell Australian Equities Trust has seen a strong uplift in performance FYTD. The Burrell World Equities Trust has maintained its value well as its holdings largely avoided the high P/E names whilst the Burrell Small-cap Mid-cap & Resources Trust has recovered immensely in value as investors look towards the smaller, less researched end of the markets for outsized returns. As confidence grows around the globe on vaccine distributions and economies reopen, markets should see a broader and more inclusive increase as opposed to the narrow band of winners during the pandemic.

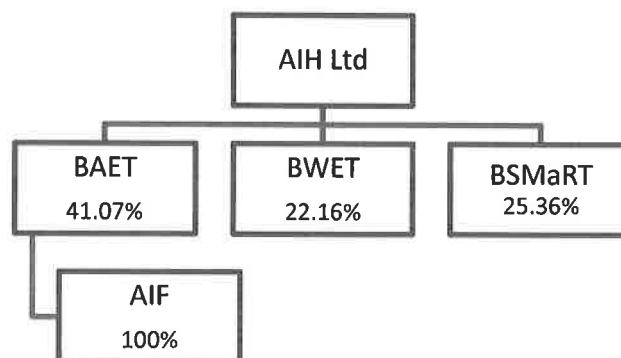
Structure

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

BAET, BSMaRT and BWET are all registered managed investment schemes, which are open to both wholesale and retail investors. BAET invests in listed Australian equities, managed funds, and holds 100% of the equity in Australian Index Fund Pty Ltd, whose portfolio is made up of predominantly ASX Exchange Traded Options. BWET invests in listed international equities and managed funds, and may use foreign exchange hedging instruments to hedge its exposure to fluctuations in foreign currencies. BSMaRT holds short term trading and sector overweight positions in the Australian equities market.

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As at 31 December 2020 approximately 89.6% of AIH's investment portfolio comprised of investments in BAET, BWET and BSMaRT in the percentages of 55.5%, 23.3% and 10.8% respectively. This was achieved through the following ownership structure, whereby AIH owned 41.07% of the units on issue in BAET, 22.16% of the units on issue in BWET and 25.36% of the units on issue in BSMaRT.



Performance Outcomes

Net Return of the Overall Company

The net return to shareholders for the half-year ended 31 December 2020 was 9.71%, based on a net asset value as at 31 December 2020 of \$2.95, plus the dividend of 4.5 cents, and compared to the net asset value per share as at 30 June 2020 of \$2.73. This 'net return' is not directly comparable to publicly reported share price or accumulation indices because it is after costs have been deducted for managing and administering the portfolios and the Company. It is also after an allowance for tax at the rate of 30% has been deducted from operating profits and on the increases in value of the investment portfolios. Further, the return shareholders in AIH received from dividends are mostly franked. As such we look at the 'gross returns' from the individual investment portfolios, as follows:

Gross Returns of the Individual Portfolios

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

The performances of the individual portfolios that the Company invested in for the half-year ended 31 December 2020 and the comparative period are shown in the table below. These returns are expressed on a pre-tax basis and are defined as the movement for the period in the net asset values of the portfolios.

	31-Dec-20	31-Dec-19
	%	%
Burrell Australian Equities Trust (excl. AIF)	16.7	1.2
Burrell Australian Equities Trust (incl. AIF)	17.9	1.2
Burrell World Equities Trust	5.3	4.7
Burrell Small-cap, Mid-cap and Resources Trust	35.2	-5.5
Australian All Ordinaries Accumulation Index	15.7	3.6
Australian Small Ordinaries Accumulation Index	20.3	3.9
MSCI World Index ex Australia (in AUD terms)	9.6	8.0

Australia & International Holdings Limited
Directors' Report
For the Half-year ended 31 December 2020

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

	31-Dec-20	31-Dec-19
	%	%
Energy	8.4	6.1
Materials	12.8	10.7
Industrials	3.7	5.0
Consumer discretionary	5.5	7.6
Consumer staples	2.1	1.0
Financials	38.9	40.0
Real estate investment trusts	2.1	2.1
Managed funds and LICs	8.5	7.7
Exchange traded funds	1.5	3.6
Health care	6.8	8.6
Information technology & telecoms	9.7	7.1
Utilities	0.0	0.5

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

	31-Dec-20	31-Dec-19
	%	%
Australia & New Zealand	77.3	76.8
Americas	6.3	8.0
United Kingdom	0.7	0.6
Europe excl. United Kingdom	2.4	2.3
Asia Pacific excl. Australia	1.6	1.2
Global	11.7	11.1

Securities representing 5% or more of the combined investments and trading portfolio as at 31 December 2020 are:

	31-Dec-20	31-Dec-19
	% of portfolio	% of portfolio
Commonwealth Bank of Australia	10.6	10.9

Net Asset Value per Share

	31-Dec-20	30-Jun-20
Net Asset Value per share for the Company	\$2.95	\$2.73

Earnings Per Share

	31-Dec-20	31-Dec-19
Earnings Per Share based on the net operating result (cents)	2.27 ¢	5.47 ¢

Significant changes in the state of affairs

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

Australia & International Holdings Limited
Directors' Report
For the Half-year ended 31 December 2020

Matters subsequent to the end of the financial half-year

The impact of the Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation remains on-going and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions, vaccination roll-out and effectiveness, and any further economic stimulus that may be provided.

Between 9 February and 1 March 2021, the Company conducted a 1 for 20 rights issue and entitlement offer at the lesser of \$2.85 per share and a 5.32% discount to the Net Asset Value per share as at the closing date of the offer, with a potential to raise \$224,560 in additional capital, which is to be used for investment purposes. The offer was underwritten by Burrell Stockbroking to a maximum of \$75,000, provided the S&P200 Index (XJO) remained above 6,300 points.

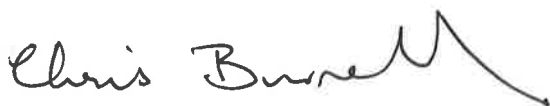
No other matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Auditor's independence declaration

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

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

On behalf of the directors



Christopher T Burrell
Director



Gregory J Vickery
Director

10 March 2021
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 half-year ended 31 December 2020, there have been:

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

PKF BRISBANE AUDIT



LIAM MURPHY
PARTNER

10 MARCH 2021
BRISBANE

PKF Brisbane Audit ABN 33 873 151 348

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PKF Brisbane Pty Ltd. is a member firm of the PKF International Limited family of legally independent firms and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm or firms.

Australia & International Holdings Limited
Index to the condensed financial statements
For the Half-year ended 31 December 2020

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General information

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

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

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

Level 4, 24 Little Edward Street
Brisbane QLD 4000

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

The financial report was authorised for issue, in accordance with a resolution of directors, on 10 March 2021. 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 half-year ended 31 December 2020

	Note	31-Dec-20 \$	31-Dec-19 \$
Continuing operations			
Revenue	4	70,689	129,661
Expenses			
Accounting and audit fees		(6,468)	(7,436)
Legal expenses		(3,265)	(4,012)
Listing fees		(4,963)	(5,023)
Managed portfolio service fees		(1,497)	(1,626)
Secretarial expenses		(5,170)	(5,951)
Stock exchange fees		(7,248)	(7,668)
Other expenses		(1,009)	(462)
Profit before income tax (expense)/benefit		<u>41,069</u>	<u>97,483</u>
Income tax (expense)/benefit		<u>(5,370)</u>	<u>(11,766)</u>
Profit after income tax (expense)/benefit for the half-year attributable to the owners of Australia & International Holdings Limited		35,699	85,717
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Changes in the fair value of equity investments at fair value through other comprehensive income		<u>383,759</u>	<u>(54,655)</u>
Other comprehensive income for the half-year, net of tax		<u>383,759</u>	<u>(54,655)</u>
Total comprehensive income for the half-year attributable to the owners of Australia & International Holdings Limited		<u><u>419,458</u></u>	<u><u>31,062</u></u>
		Cents	Cents
Basic earnings per share	10	2.27 ¢	5.47 ¢
Diluted earnings per share	10	2.27 ¢	5.47 ¢

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 31 December 2020

	Note	31-Dec-20 \$	30-Jun-20 \$
Assets			
Current assets			
Cash and cash equivalents	5	34,806	66,677
Prepayments		7,248	-
Trade and other receivables		59,297	56,448
Total current assets		<u>101,351</u>	<u>123,125</u>
Non-current assets			
Financial assets	6	4,921,302	4,373,076
Deferred tax asset		-	-
Total non-current assets		<u>4,921,302</u>	<u>4,373,076</u>
Total assets		<u>5,022,653</u>	<u>4,496,201</u>
Liabilities			
Current liabilities			
Trade and other payables		4,318	2,350
Provision for income tax		23,301	17,931
Total current liabilities		<u>27,619</u>	<u>20,281</u>
Non-current liabilities			
Deferred tax liability		353,259	188,792
Total non-current liabilities		<u>353,259</u>	<u>188,792</u>
Total liabilities		<u>380,878</u>	<u>209,073</u>
Net assets		<u>4,641,775</u>	<u>4,287,128</u>
Equity			
Issued capital	7	3,777,103	3,771,194
Reserves		491,143	107,384
Retained profits		373,529	408,550
Total equity		<u>4,641,775</u>	<u>4,287,128</u>

Australia & International Holdings Limited
Statement of changes in equity
For the half-year ended 31 December 2020

	Note	Contributed equity \$	Other Reserves \$	Retained profits \$	Total equity \$
Balance at 1 July 2019		3,753,651	700,683	487,214	4,941,548
Profit after income tax (expense)/benefit for the half-year		-	-	85,717	85,717
Other comprehensive income for the half-year, net of tax		-	(54,655)	-	(54,655)
Total comprehensive income for the half-year		-	(54,655)	85,717	31,062
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs		9,052	-	-	9,052
Dividends paid	8	-	-	(101,673)	(101,673)
Balance at 31 December 2019		<u>3,762,703</u>	<u>646,028</u>	<u>471,258</u>	<u>4,879,989</u>
	Note	Contributed equity \$	Other Reserves \$	Retained profits \$	Total equity \$
Balance at 1 July 2020		3,771,194	107,384	408,550	4,287,128
Profit after income tax (expense)/benefit for the half-year		-	-	35,699	35,699
Other comprehensive income for the half-year, net of tax		-	383,759	-	383,759
Total comprehensive income for the half-year		-	383,759	35,699	419,458
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs	7	5,909	-	-	5,909
Dividends paid	8	-	-	(70,720)	(70,720)
Balance at 31 December 2020		<u>3,777,103</u>	<u>491,143</u>	<u>373,529</u>	<u>4,641,775</u>

Australia & International Holdings Limited
Statement of cash flows
For the half-year ended 31 December 2020

	Note	31-Dec-20	31-Dec-19
		\$	\$
Cash flows from operating activities			
Dividends received		5,114	12,054
Interest received		62	256
Trust distributions received from related parties		62,664	185,889
Other expenses (paid)/income received		<u>(34,899)</u>	<u>(36,205)</u>
Net cash from/(used in) operating activities		<u>32,941</u>	<u>161,994</u>
Cash flows from investing activities			
Payments for financial assets		<u>-</u>	<u>(70,041)</u>
Net cash from/(used in) investing activities		<u>-</u>	<u>(70,041)</u>
Cash flows from financing activities			
Proceeds from the issue of shares		5,909	9,052
Dividends paid		<u>(70,720)</u>	<u>(101,672)</u>
Net cash from/(used in) financing activities		<u>(64,811)</u>	<u>(92,620)</u>
Net increase/(decrease) in cash and cash equivalents		(31,870)	(667)
Cash and cash equivalents at the beginning of the half-year		<u>66,676</u>	<u>53,400</u>
Cash and cash equivalents at the end of the half-year	5	<u><u>34,806</u></u>	<u><u>52,733</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
For the Half-year ended 31 December 2020

Note 1. Significant accounting policies

Statement of compliance

These general purpose financial statements for the half-year reporting period ended 31 December 2020 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Australia & International Holdings Limited. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended 30 June 2020, together with any public announcements made during the following half-year.

Basis of preparation

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's annual financial report for the year ended 30 June 2020. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Investments in Associates

AASB 128 – Investments in Associates

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

At the end of the half-year the Company held investments in the Burrell Australian Equities Trust, the Burrell World Equities Trust and the Burrell Smallcaps Midcaps and Resources Trust ("the Trusts") representing 41.07%, 22.16% and 25.36% 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 'available for sale' assets. Therefore, the Company has 'looked through' to the nature of its underlying assets and applied the same accounting treatment to maintain consistency and avoid confusion to the readers of these financial statements. It should be noted that the affect on the net assets of the Company under equity accounting and the current treatment is the same.

Australia & International Holdings Limited
Notes to the financial statements
For the Half-year ended 31 December 2020

Note 2. Critical accounting judgements, estimates and assumptions

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

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Note 3. Operating segments

The Company is predominantly invested in the Burrell Australian Equities Trust, the Burrell World Equities Trust, and the Burrell Smallcaps Midcaps and Resources Trust, who in turn invest the majority of their funds in companies listed on the Australian and international stock exchanges and selected managed funds. The Company's allocation of investments and the performance of these investments are in line with the investment portfolios of the three trusts and it follows that an appropriate categorisation of segments for reporting purposes is into: Australian large-cap long-term shares; Australian small and midcap shares; and overseas long-term shares. The Australian long term portfolio is made up of blue chip and quality shares in companies in the ASX All Ordinaries Index, whilst the Australian mid cap and small cap portfolio comprises shares in companies outside of the top 100 companies in the same index. The overseas portfolio consists of shareholdings in stocks traded on stock exchanges with similar corporate governance regimes as Australia. This portfolio is primarily made up of shares in companies operating in the USA, UK, Europe and Asia.

Australia & International Holdings Limited
Notes to the financial statements
For the Half-year ended 31 December 2020

Note 3. Operating segments (continued)

Operating segment information

31 December 2020	Australian Large-cap Long-Term Shares \$	Australian Small-Mid- cap Shares \$	Overseas Long-Term Shares \$	Intersegment eliminations/ unallocated \$	Total \$
Revenue					
Dividend income	5,114	-	-	-	5,114
Interest revenue	62	-	-	-	62
Trust distributions from related parties	54,647	7,981	2,885	-	65,513
Total revenue	59,823	7,981	2,885	-	70,689
Segment result	59,823	7,981	2,885	(29,620)	41,069
Profit/(loss) before income tax benefit	59,823	7,981	2,885	(29,620)	41,069
Income tax expense					(5,370)
Profit after income tax benefit					35,699
Assets					
Segment assets	3,259,271	550,202	1,171,125	42,054	5,022,653
Intersegment eliminations					-
Total assets					5,022,653
Liabilities					
Segment liabilities	276,596	(20,851)	97,515	27,619	380,878
Total liabilities					380,878

Australia & International Holdings Limited
Notes to the financial statements
For the Half-year ended 31 December 2020

Note 3. Operating segments (continued)

	Australian Large-cap Long-Term Shares	Australian Small-Mid- cap Shares	Overseas Long-Term Shares	Intersegment eliminations/ unallocated	Total
31 December 2019	\$	\$	\$	\$	\$
Revenue					
Dividend income	12,054	-	-	-	12,054
Interest revenue	-	-	-	256	256
Trust distributions from related	105,468	378	11,505	-	117,351
Total revenue	117,522	378	11,505	256	129,661
Segment result	117,522	378	11,505	(31,922)	97,483
Profit/(loss) before income tax benefit	117,522	378	11,505	(31,922)	97,483
Income tax benefit					(11,766)
Profit after income tax benefit					85,717
Assets					
Segment assets	3,475,038	563,498	1,217,296	60,401	5,316,233
Intersegment eliminations					-
Total assets					5,316,233
Liabilities					
Segment liabilities	326,226	(14,512)	107,925	16,605	436,244
Total liabilities					436,244

Note 4. Revenue

	31-Dec-20	31-Dec-19
	\$	\$
Dividends	5,114	12,054
Interest	62	256
Trust distributions from related parties	65,513	117,351
Revenue	70,689	129,661

Note 5. Current assets - cash and cash equivalents

	31-Dec-20	30-Jun-20
	\$	\$
Cash and cash equivalents	34,806	66,677

Australia & International Holdings Limited
Notes to the financial statements
For the Half-year ended 31 December 2020

Note 6. Non-current assets - financial assets

	31-Dec-20	30-Jun-20
	\$	\$
Non-Current		
Equity investments at fair value	<u>4,921,302</u>	<u>4,373,076</u>
	<u>4,921,302</u>	<u>4,373,076</u>

Reconciliation

Reconciliation of the fair values at the beginning and end of the current

Opening fair value	4,373,076	5,150,604
Additions	-	70,041
Disposals	-	-
Reduction in cost base of investments on capital returns	-	-
Revaluation increments/(decrements)	548,226	(847,569)
Closing fair value	<u>4,921,302</u>	<u>4,373,076</u>

Note 7. Equity - issued capital

	31-Dec-20	30-Jun-20	31-Dec-20	30-Jun-20
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>1,575,867</u>	<u>1,573,234</u>	<u>3,777,103</u>	<u>3,771,194</u>

Movements in ordinary share capital

	Date	No. of shares	Issue price	\$
Balance	30 Jun 2020	1,573,234		3,771,194
Dividend reinvestment plan	28 Oct 2020	2,633	\$2.87	7,552
DRP cost	28 Oct 2020			(1,643)
Balance	31 Dec 2020	<u>1,575,867</u>		<u>3,777,103</u>

Note 8. Equity - dividends

Dividends

Final dividend

	31-Dec-20	31-Dec-19
	\$	\$
Final dividend paid	<u>70,720</u>	<u>101,672</u>

Year ended	30/06/2020	30/06/2019
Cents per share	4.5 ¢	6.5 ¢
Franking %	100%	100%
Date paid	28/10/2020	10/10/2019

Australia & International Holdings Limited
Notes to the financial statements
For the Half-year ended 31 December 2020

Note 9. Events after the reporting period

The impact of the Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation remains on-going and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions, vaccination roll-out and effectiveness, and any further economic stimulus that may be provided.

Between 9 February and 1 March 2021, the Company conducted a 1 for 20 rights issue and entitlement offer at the lesser of \$2.85 per share and a 5.32% discount to the Net Asset Value per share as at the closing date of the offer, with a potential to raise \$224,560 in additional capital, which is to be used for investment purposes. The offer was underwritten by Burrell Stockbroking to a maximum of \$75,000, provided the S&P200 Index (XJO) remained above 6,300 points.

No other matter or circumstance has arisen since 31 December 2020 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 10. Earnings per share

	31-Dec-20	31-Dec-19
	\$	\$
Profit after income tax attributable to the owners of Australia & International Holdings Limited	35,699	85,717
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	1,574,150	1,567,388
Weighted average number of ordinary shares used in calculating diluted earnings per share	1,574,150	1,567,388
	Cents	Cents
Basic earnings per share	2.27 ¢	5.47 ¢
Diluted earnings per share	2.27 ¢	5.47 ¢

Note 11. Contingencies

At balance date, the Directors were not aware of any material contingent assets or liabilities other than those already disclosed elsewhere in the financial report.

Australia & International Holdings Limited
Directors' declaration

To the Members of Australia & International Holdings Limited

In accordance with a resolution of the directors of Australia & International Holdings Limited ("the company"), the directors of the company declare that:

1. The financial statements and notes, as set out on pages 7 to 17, are in accordance with the *Corporations Act 2001*, including:
 - a. complying with Accounting Standard AASB 134 - Interim Financial Reporting, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
 - b. giving a true and fair view of the entity's financial position as at 31 December 2020 and of its performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the directors



Christopher T Burrell
Director



Gregory J Vickery
Director

Brisbane
10 March 2021

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF AUSTRALIA & INTERNATIONAL HOLDINGS LIMITED

Conclusion

We have reviewed the accompanying half-year financial report of Australia & International Holdings Limited ("the Company"), which comprises the statement of financial position as at 31 December 2020 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes, and the directors' declaration.

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

- (a) giving a true and fair view of the Company's financial position as at 31 December 2020, and of its financial performance for the half-year ended on that date; and
- (b) complying with the Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the consolidated entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Independence

In conducting our review, we have complied with the auditor independence requirements of the *Corporations Act 2001*. In accordance with the *Corporations Act 2001*, we have given the directors of the company a written Auditor's Independence Declaration.

Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the *Corporations Regulations 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Financial Report

Our responsibility is to express a conclusion on the half year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the company's financial position as at 31 December 2020 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

PKF BRISBANE AUDIT

LIAM MURPHY
PARTNER

10 MARCH 2021
BRISBANE