

Belmont Holdings Limited

ABN 65 000 144 561

Annual Report

2005



History – Belmont Group



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

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

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

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

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

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

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

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

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

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

1989 - J C Ludowici shareholding sold for significant gain.

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

1991 - Camelot Resources Limited joins Belmont group

1992 - LCE shareholding increased to 39% and Camelot to 15%.

1993 - LCE shareholding increased to 42.1% and Camelot Resources to 19%. Dividend of 7.5 cents per share

1994 - LCE bid for Towles Plc. Camelot Resources enhanced. Mr HC Eckford retires from the Board.

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

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

1997 - Gearhart shareholding sold for a good profit. Towles and LCE in serious state and receiver appointed to Towles on 26 May 97.

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

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

2000 - LCE reconstructed with Belmont exposure confirmed and supported by LCE equity issue. LCE interest falls from 51% to 35%. Camden properties revalued.

2001 - LCE and Belmont back on ASX lists. Camden properties increase further in value. Finances enhanced.

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

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

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

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

Belmont Holdings Limited

ABN 65 000 144 561



Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Shareholders of Belmont Holdings Limited will be held at the Company's Corporate Office (namely Level 10, 19 Pitt Street, Sydney) on Tuesday 15 November 2005 at 11.30 am.

Business

Ordinary Business

1. To receive and consider the Directors' Report and Accounts for the year ended 30 June 2005.
2. To approve the payment of a final dividend of 11.0 cents per share.
3. To adopt the Remuneration Report for the year ended 30 June 2005 as disclosed in the Directors' Report. (Note: The vote on this resolution is advisory only and does not bind the Directors.)
4. To elect a Director. In accordance with the Constitution Mr.P.E.J.Murray retires by rotation, and being eligible, offers himself for re-election. (Details of Mr Murray shown later)
5. To elect a Director. In accordance with the Constitution Mr. J.C.Plummer, who was appointed during the year, retires, and being eligible, offers himself for re-election. (Details of Mr Plummer shown later)
6. To transact such other business as may be brought forward in accordance with the Constitution and the Corporations Act 2001.

By Order of the Board

M.J.B.Smith

Company Secretary

Sydney,

28 September 2005

PROXIES

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

Belmont Holdings Limited



Key Features for 2004/2005

- AV Jennings Limited completed purchase of properties at Spring Farm, Camden for \$8.9 million.
- Continued enhancement of major investment, London City Equities Limited which acquired a 13.4% interest in CCI Holdings Limited.
- Australian Financial Services Licence approved.

Corporate Directory

Directors

P. E. J. Murray FCA, SDIAM (Chairman of Directors)
P. G. Cooper BE, MBA, BA
J. C. Plummer B.Com., MBA

Company Secretary

M.J.B.Smith BCom, CA

Auditors

Cutcher & Neale, Chartered Accountants,
25 Bolton Street, Newcastle NSW 2300

Bankers

Commonwealth Bank of Australia

Legal Advisors

Bartier Perry, Sydney

Corporate and Registered Office

Level 10, 19 Pitt Street, Sydney NSW 2000
Postal Address: PO Box R1414, Royal Exchange NSW 1225
Telephone: (02) 9247-9315
Facsimile: (02) 9247-9336

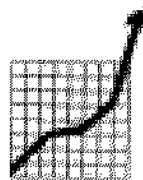
Share Registry

Registries Limited
Level 2, 28 Margaret Street, Sydney NSW 2000
Tel: (02) 9290-9600
Fax: (02) 9279-0664

Stock Exchange

Australian Stock Exchange Limited (Home Exchange - Sydney)
20 Bridge Street, Sydney NSW 2000

Belmont Holdings Limited



Chairman's Review

The Year - Our Strategy

Our aims for 2005 were to continue our programme to complete the sale of our properties and enhance London City Equities Limited. We achieved all of this.

Results - 2005

The sale of the Camden properties was completed on time and some \$4.0 million was freed up for shareholders, however the bank bill income was only modest. Together with costs and a flat year at London City, Belmont recorded a profit of \$158,000 in 2005 (profit of \$1,989,000, after tax of \$1,271,000 in 2004).

Shareholders were paid a 11 cent per share fully franked dividend in January 2005 and Directors propose a further 11 cent dividend in December.

Net Assets

The book net assets fell slightly during the year, given the payment of an 11 cent dividend in early 2005. At balance date the net assets were \$4.4 million, or approx \$1.51 per share.

Finance- Strong

Belmont has no formal debt and some \$2.7 million held in bank bills and other deposits.

Investment Banking

26% owned **London City Equities Limited** successfully acquired a 13.4% shareholding in CCI Holdings Limited, Australia's key coal certification group. This investment is starting to reflect some of its potential.

Belmont's in-house investment fund, **The Australian Capital Growth Fund**, managed by subsidiary, Imperial Pacific Fund Managers, is nearly fully invested in equities. As we advised last year, this fund adopts the principles of Mr Warren Buffett and Mr Peter Lynch of the USA. The fund earned approx 7.5% in 2004/5.

Investment Banking (Cont'd)

Belmont's subsidiary, Imperial Pacific Asset Management Pty Limited received its Australian Financial Services Licence in late June. Its agreement to manage London City's portfolio was signed on 1 July 2005, in accordance with shareholder approvals granted on 19 November 2004.

Property

Belmont presently has no direct investment in property.

Board

Mr John C Plummer kindly accepted an invitation to join the Board in November. His re-election will be proposed at the forthcoming Annual General Meeting.

Outlook

As foreshadowed in 2004, with two major successful events occurring in that year, Belmont would be hard pressed to kick a major goal in 2005. Traditionally, the company's results are "lumpy". However, over the longer haul shareholders have benefited through both capital appreciation and dividend payout.

Thanks

Again, we express gratitude to our shareholders for your support.

On behalf of the Board

P. E. J. Murray
Chairman of Directors

Belmont Holdings Limited



Statutory Directors' Report for the Year to 30 June 2005

Your Directors present their report on the Company and its controlled entities for the financial year ended 30 June 2005.

Strategic Positioning

Belmont Holdings provides traditional and innovative management services to entities in which it has an equity interest, such as London City Equities Limited (26% owned). It believes it has the skills to act as a shorter term facilitator of transactions, rather than operate as a longer term strategic equity holder such as London City Equities Limited. It is risk averse and supportive of partners. It is assertive when required.

Directors

The Directors of the Company in office at any time during or since the end of the year are P.E.J. MURRAY, P.G.COOPER, I.G.HARDY, P.C.F.WOOD and J.C.PLUMMER. Mr Murray and Mr Cooper were in office since the start of the financial year to the date of this report. Mr Wood retired as a Director on 16 November 2004 and Mr Plummer joined the Board the same day. Mr Hardy joined the Board on 14 July 2004 and retired on 22 June 2005.

Peter E.J. Murray FCA, SDIAM

Chairman of Directors.

Chartered Accountant, Practitioner Member Securities and Derivatives Industry Association.

For over 30 years has been a senior executive in merchant banking and stockbroking at Director

Level. Experienced in corporate finance, mergers, acquisitions, fund raisings and general management. Chairman of Belmont Holdings Limited since 1980. Chairman of London City Equities Limited and of CCI Holdings Limited since October 2004. Was Chairman and Director of Camelot Resources NL from 1991 to 1996. Also a Director of TC Corporate Pty Limited.

Philip G. Cooper

Non Executive Director

Bachelor of Engineering (Mech.) Master of Business Administration (Melbourne), Bachelor of Arts.

Initial background in manufacturing management. Previously a Director of a major merchant bank, a major personnel consulting firm and Managing Director of Space-Time Research Pty Ltd, a software group with major clients internationally. Now a management consultant. Experienced in corporate finance, mergers, personnel and strategic planning. Director of Space-Time Research Pty Ltd and London City Equities Ltd..

John C Plummer –Appointed 16 November 2004

Non-Executive Director.

Bachelor of Commerce; Master of Business Administration.

Mr Plummer's background has been in marketing, product purchasing and human resources. Presently an executive director of Chandler Macleod Group Limited, an ASX listed personnel organization. Directorships also include London City Equities Limited.

Paul C. F. Wood- Retired 16 November 2004

Non Executive Director

Bachelor of Arts, Bachelor of Commerce (NSW) Bachelor of Laws, Chartered Accountant

Background in commercial and property law in Sydney and London before specialising in corporate finance where he continues to operate. Director of Fletcher Purdey Pty Limited.

Statutory Directors Report (Cont'd)

Directors (Continued)

Ian G. Hardy – Appointed 14 July 2004 - Retired 22 June 2005

Executive Director to 19 December 2004.

Bachelor of Economics ; Associate of Securities Institute of Australia.

Mr Hardy's background has been predominantly in investment management with institutions and corporations. Directorships include IncomePlus Limited.

Particulars of Directors' interests in Shares of the Parent Company are as follows: Directors interests in Shares of the Parent Company are:-

	Ordinary Shares
P.E.J. Murray	1,086,945
P.G. Cooper	110,000
J.C.Plummer	51,000

During the financial year three formal meetings of Directors were held. Details of the attendances are:

	Number Eligible to attend	Attended
P E J Murray	3	3
P G Cooper	3	3
P C F Wood	1	1
I G Hardy	1	1
J C Plummer	1	1

In accordance with the Constitution, Mr. PEJ Murray retires from the Board at the forthcoming Annual General Meeting of shareholders and, being eligible, offers himself for re-election. Also, in accordance with the Constitution, Mr.JC Plummer, who was appointed a Director during the year, retires from the Board at the forthcoming Annual General Meeting of shareholders and, being eligible, offers himself for re-election.

Remuneration Report

The Remuneration Committee is responsible for remuneration policies and it monitors the remuneration of Directors and executives with market conditions. Details of the emoluments of the Directors are set out in Note 19 of the accounts and below:

	Salaries and Fees	Super Contributions	Total
Mr P.E.J.Murray	\$151,530	\$217	\$151,747
Mr. P.G.Cooper	\$8,000	\$720	\$8,720
Mr. J.C.Plummer	\$4,858	\$440	\$5,298
Mr. I.G.Hardy	\$64,988	\$5,849	\$70,837
Mr. P.C.F.Wood	\$8,000	\$720	\$8,720

Note: As Consultant, Corporate at Taylor Collison Limited, a Member Corporation of Australian Stock Exchange, Mr Murray may share in brokerage payable by associated entities from time to time. This sum is around \$2,000 for 2005.

Principal Activities

The principal activities of the economic entity in the course of the financial year were the completion of the sale of the Company's properties at Camden NSW for \$8.9 million, the management of \$4.0 million in bank bills, the attainment of an Australian Financial Services Licence and the management of London City Equities Limited which included the acquisition of a significant 13.4% shareholding in CCI Holdings Limited, a leading coal and engineering industry service group. Time was also directed towards the management of the internal unit trust fund, The Australian Capital Growth Fund.

Trading Results and Dividend Status

Belmont reports a consolidated profit for the year of \$158,000 (profit of \$1,988,000 in 2004 after providing for tax of \$1,270,000). The Directors recommend the payment of a fully franked dividend of 11 cents per share which follows the payment of a 11 cent per share fully franked dividend in January 2005.

Statutory Directors Report (Cont'd)

Objectives, Achievements and Review of Operations

The prime objective during the year was the completion of the sale of the company's important land holdings at Spring Farm Camden, an outer suburb of Sydney, to AV Jennings Limited and the productive focus on its key investment, its 26% shareholding in London City Equities Limited.

All these objectives were met, resulting in a debt free Balance Sheet for Belmont moving ahead. In addition, the Directors achieved for London City Equities Limited the satisfactory purchase of a 13.4% strategic shareholding in CCI Holdings Limited, a leading Australian coal and engineering sector listed company.

The strengths and resources of Belmont are its debt free asset base, its 26% shareholding in London City, and its proven skills in strategic investment appraisal and focus. Furthermore Belmont also includes as strengths the firm commitments of its Directors and major shareholders.

Likely developments

For the future, Directors have a policy which focuses on enhancing the values of the Belmont assets, especially its London City investment (where London City has acquired a strategic 14% shareholding in CCI Holdings Limited in accordance with its objective of seeking undervalued companies which hold high market shares and have inherent growth combined with management's owner mentality) and (b) its internal but moderately successful investment fund managed by Imperial Pacific Fund Managers Pty Limited namely, The Australian Capital Growth Fund.

Directors are continuing to examine the scope for London City Equities to increase its size and achieve better economies of scale. This should reflect improved returns for Belmont.

Further explanations are covered elsewhere within the Annual Report.

Other Information

The Directors are not aware of any significant change in the state of affairs of the group that occurred during the financial year under review not otherwise disclosed in this report and the accounts. The Directors are not aware of any matter or circumstance that has arisen since the end of the financial year that has significantly affected or may significantly affect:

- (i) the operations of the economic entity
- (ii) the results of those operations, or
- (iii) the state of affairs of the entity

in the financial years subsequent to the financial year except as otherwise noted in this report.

At the date of this report there were no options on issue.

Matters subsequent to 30 June 2005

- (a) A subsidiary, Imperial Pacific Asset Management Pty Limited signed its Management Agreement with London City Equities Limited on 1 July 2005.
- (b) Since 30 June 2005, CCI Holdings Limited, 13.4% owned by associate London City Equities Limited, has announced its 2005 results. These showed turnover of \$52.3 million, Earnings before Interest, Tax, Depreciation and Amortisation of \$5.1 million before significant write-downs of \$9.7 million and borrowing costs resulted in a final loss of \$8.6 million.
- (c) A dividend of 11.0 cents per share has been proposed by the Directors. This sum was not provided for in the Financial Statements.

Corporate Governance Matters

Belmont has noted the "best practice recommendations" of the ASX Corporate Governance Council. The Board of Belmont believes it carries out the broad thrust of the guidelines in a proper and pragmatic way for a small company such as Belmont in the property and investment holding business, although it has not adopted a small number of the formal "best practice recommendations". The corporate governance policies of Belmont and the departures from the recommendations are discussed below

Statutory Directors Report (Cont'd)

Corporate Governance (Cont'd)

The Board of Directors, including the Chairman, comprised three non-executive Directors during the period. The criteria set for membership and review of that membership is to ensure that there exists a sufficient mix of skills and experience for a company of the nature of Belmont and its subsidiaries. Directors are subject to re-election every three years. The philosophy is held that external parties experienced in specific sectors are appointed to provide the Board with advice and/or running investee holdings.

Independent professional advice may be sought by the Directors at the Company's expense from time to time with the prior approval of the Board. The Board is responsible for recommending to shareholders the level of director's fees. All of the Directors are shareholders in the Company.

The Board includes two Directors who are involved in the stock exchange related matters. Issues relating to the continuous disclosure rules of the Australian Stock Exchange Limited are placed on the agenda and discussed at meetings of the Board and management. The Board believes it has a good record of informing the markets of material matters.

The Directors communicate regularly and meet formally and informally when appropriate for the circumstances. Directors are provided with Board papers covering operational issues as well as detailed investment appraisals. The Directors, as such, provide overall policy guidance, review controls to ensure compliance with laws and ethical behavior. They also review reports on the operational and financial performance of the Company to assist in the development of suitable management risk strategies.

The Board, as part of its responsibility to oversee the strategic direction of the company, has established guidelines and committees to ensure that its businesses operate ethically and fairly and to ensure that the assets of the company are properly protected. The committees which the board has established are:

- Audit and Compliance Committee
- Remuneration Committee
- Risk Management Committee

The Company has a policy that Directors, senior management and employees must abide by all legislation in relation to dealing in the company's securities. Where information is known that is questionable in terms of materiality, the written approval of a Director is required before any transaction.

As mentioned above, in directing the company's functions during 2005, Belmont departed for various reasons from certain "best practice recommendations" of the ASX Corporate Governance Council. These were:

"ASX Corporate Governance Council Best Practice recommendations"	Adopted ? If not, why not?
<i>Recommendation 1:</i> Formalise and disclose the functions reserved to the Board and those to the management.	<i>Comment:</i> Belmont has effectively two employees and participating Directors. As such, all major decisions are taken in regular consultation with the Board of Belmont. There is little need for differentiating and specifying the role of management within Belmont. However, this stance may well change in the future as Belmont endeavours to reinvest its funds.

Statutory Directors Report (Cont'd)

“ASX Corporate Governance Council Best practice recommendations”	Adopted ? If not, why not?
Recommendation 2.1: A majority of the Board should be independent Directors. Recommendation 2.2: The chairperson should be an independent director. Recommendation 2.3: The roles of chairperson and chief executive officer should not be exercised by the same person. Recommendation 2.4: The board should establish a nominee committee.	Comment: Belmont is a small company operating in the relatively straight forward property and investment industry. Although its four Directors are also directors of London City Equities Limited, a 26% investment of Belmont, there are no intercompany purchases or sales of assets with the Directors and nor are there potential conflicts of interest with London City Equities Limited, which has a different strategic focus. Directors believe it is not practical or cost-effective to have “independent” persons (as defined by the governance principles) on the Board of Belmont. Indeed the Directors believe it is positive that major direct and indirect shareholdings are held by the Directors. For similar reasons of size the informal Chairman– CEO role is carried out by the same person, Mr P.E.J.Murray. In the circumstances the Board believes a Board nomination committee is simply not appropriate for a company like Belmont.
Recommendation 3.1: Establish a code of conduct to guide the directors, the chief executive officer, the chief financial officer and any other key executives as to practices to reflect integrity and responsibility for reporting unethical practices.	Comment: As stated above, Belmont is a small company operating in the relatively straight forward property and investment industry. A subsidiary holds an Australian Financial Services Licence under which the Directors are obligated to maintain high levels of ethics and integrity. For a company of Belmont’s size and its simply type of business, the Directors do not believe a formal prescriptive code is necessary nor practical for Belmont.
Recommendation 5.1: Establish written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and ensure accountability by a senior executive.	Comment: Belmont is a small company with active Board participation, operating in the relatively straight forward property and investment industry. Two of its three Directors are involved in stock exchange related companies and are aware of their obligations in respect of continuing disclosure requirements and other requirements of the ASX. Directors do not believe written policies and procedures are necessary nor practical for Belmont.
Recommendation 6.1 : Design and disclose a communications strategy to promote effective communications with shareholders and encourage effective participation at general meetings.	Comment: Belmont is a small company with active Board participation, operating in the relatively straight forward property and investment industry. Two of its three Directors are involved in stock exchange related companies and are aware of their obligations in respect of continuing disclosure requirements and other requirements of the ASX. Directors do not believe a formal communications strategy is necessary nor practical for Belmont.
Recommendation 7.2: The CEO and the CFO should state to the board in writing that the statement given in Recommendation 4.1 is founded on a sound system and the company’s risk management control is operating efficiently.	Comment: Belmont has effectively two employees and participating Directors. It does not have a formal CEO or CFO. All major decisions are taken in consultation with the Board of Belmont. They believe that for Belmont there is little need for differentiating and specifying the role of management within Belmont, especially with a sign-off by the CEO and CFO.

Statutory Directors Report (Cont'd)

Recommendation 7.2: The CEO and the CFO should state to the board in writing that the statement given in Recommendation 4.1 is founded on a sound system and the company's risk management and control is operating efficiently.	Comment: Belmont has effectively two employees and participating Directors. It does not have a formal CEO or CFO. All major decisions are taken in consultation with the Board of Belmont. They believe that for Belmont there is little need for differentiating and specifying the role of management within Belmont, especially with a sign-off by the CEO and CFO.
Recommendation 8.1 : Disclose the process for performance evaluation of the board, its committees and individual directors and key executives.	Comment: As a small company operating in the relatively straight forward property and investment industry, Belmont does not have a formal process for evaluating the performance of its Board and committees. The Directors believe they are very open and transparent in disclosing their plans, aspirations and financial results to the shareholders. They believe the annual; shareholder meetings provide a good opportunity for shareholders to evaluate their performance.
Recommendation 10.1: Establish and disclose a code of conduct to guide compliance with legal and other obligations to legitimate stakeholders.	Comment: As stated above, Belmont is a small company operating in the relatively straight forward property and investment industry. A subsidiary holds an Australian Financial Services Licence under which the Directors are obligated to maintain high levels of ethics and integrity. For a company of Belmont's size and its simply type of business, the Directors do not believe a formal prescriptive code is necessary nor practical for Belmont.

Directors and auditors indemnification

The company has not, during or since the end of the financial year in respect of any person who is or has been an officer or auditor of the company or a related body corporate indemnified or made any relevant agreement for indemnifying against a liability incurred by an officer, including costs and expenses in successfully defending legal proceedings; or paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings.

Proceedings in relation to the company

The former Executive Chairman of CCI Holdings, Mr John V Cannane is presently suing Belmont subsidiary Imperial Pacific Fund Managers (trustee for London City investment in CCI), CCI itself, Mr Murray and others in relation to his termination on 18 October 2004. The present Board of CCI believes Mr Cannane has no merit in this action. On other matters, no person has applied to the Court under Section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the consolidated entity.

Auditor's Independence Declaration

A copy of the auditor's declaration under Section 307C in relation to the audit for the financial year is provided on page 33 of this report.

Signed in accordance with a resolution of the Directors. Dated at Sydney this 27th day of September 2005.
On behalf of the Board,

P. E. J. MURRAY

P. G. COOPER

Belmont Holdings Limited

ABN 65 000 144 561



Statements of financial performance for the year ended 30 June 2005

	Notes	Consolidated		Parent Entity	
		2005	2004	2005	2004
		\$	\$	\$	\$
Revenue from ordinary activities	3	181,358	11,119,890	277,143	5,439,758
Cost of Investments sold			(2,065,947)	-	-
Cost of Land sold - at Book Value			(5,000,000)	-	-
Borrowing costs expense	4	(1,332)	(210,402)	(403)	(182,458)
Depreciation expenses	4	(942)	(542)	-	-
Employee Benefit Expense	4	(60,934)	-	(60,934)	-
Additional Finance Charge re Propertie	4	-	(609,880)	-	-
Other expenses from ordinary activities	4	(263,861)	(232,232)	(259,356)	(221,664)
Share of net profit of associate accounted for using the equity accounting methc	3	12,638	258,636	-	-
Profit from ordinary activities before income tax		(133,073)	3,259,523	(43,550)	5,035,636
Income tax gain (expense)	5	290,988	(1,270,800)	300,000	-
Net profit attributable to members of Belmont Holdings Limited		157,915	1,988,723	256,450	5,035,636
Net Increase / (Decrease)					
- in asset revaluation reserve	15 (a)	-	(4,481,837)	-	(2,200,000)
- in capital reserve	15 (a)	-	4,481,837	-	-
Total revenue, expenses and valuation adjustments attributable to members of Belmont Holdings Ltd recognised directly in equity		-	-	-	(2,200,000)
Total changes in equity other than those resulting from transactions with owners as owners	16	157,915	1,988,723	256,450	2,835,636
Basic earnings per share (Cents)	30	5.43	68.42		

The accompanying notes form part of these financial statements.

Belmont Holdings Limited

ABN 65 000 144 561



Statements of financial position as at 30 June 2005

	<i>Notes</i>	Consolidated 2005 \$	Consolidated 2004 \$	Parent Entity 2005 \$	Parent Entity 2004 \$
Current assets					
Cash assets	6	44,134	35,765	(7,687)	8,127
Receivables	7	2,740,904	4,724,580	6,451,915	4,122,935
Current Tax Asset	8	300,000	-	300,000	-
Total current assets		3,085,038	4,760,345	6,744,228	4,131,062
Non-current assets					
Other financial assets - Investments	9	1,440,548	1,527,909	4,161,224	4,161,224
Property, plant and equipment	10	3,228	1,811	-	-
Total non-current assets		1,443,776	1,529,720	4,161,224	4,161,224
Total assets		4,528,814	6,290,065	10,905,452	8,292,286
Current liabilities					
Payables	11	100,019	428,670	6,116,289	3,439,858
Tax liabilities	12	-	1,270,800	-	-
Total current liabilities		100,019	1,699,470	6,116,289	3,439,858
Total liabilities		100,019	1,699,470	6,116,289	3,439,858
Net assets		4,428,795	4,590,595	4,789,163	4,852,428
Equity					
Contributed equity	14	1,560,970	1,560,970	1,560,970	1,560,970
Reserves	15 (a)	4,844,408	4,844,408	2,642,275	2,642,275
Retained Profits (Accumulated losses)	15 (b)	(1,976,583)	(1,814,783)	585,918	649,183
Total equity	16	4,428,795	4,590,595	4,789,163	4,852,428

The accompanying notes form part of these financial statements.

Belmont Holdings Limited

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Statements of cash flows for the year ended 30 June 2005

	Notes	Consolidated 2005 \$	Consolidated 2004 \$	Parent Entity 2005 \$	Parent Entity 2004 \$
Cash flows from operating activities					
Receipts from Customers		74,877	68,526	82,005	68,526
Cash paid to suppliers and management		(313,354)	(230,835)	(284,958)	(170,464)
Interest Received		97,934	3,507	95,060	-
Dividends Received		100,000	91,531	100,000	81,232
Option Fee Received			200,000		
Borrowing Costs		(400)	(206,139)	(400)	-
Profit Share on Sale of Property		-	(320,000)	-	-
Income Tax Paid		(1,278,728)		(1,274,006)	
Net Cash provided by (used in) operating activities	29	(1,319,671)	(393,410)	(1,282,299)	(20,706)
Cash flows from investing activities					
Purchase of investments			(1,335)	-	-
Proceeds from sale of investments		107,304			
Proceeds from Sale of Property		4,347,727	4,360,000	-	
Payments for Bank Bills		(4,095,044)		(4,095,044)	
Proceeds from Bank Bills		1,396,366		1,396,366	
Options exercised		-	(395,830)	-	-
Net Cash provided by (used in) investing activities		1,756,353	3,962,835	(2,698,678)	-
Cash flows from financing activities					
Payments to a related company		(49,642)	(34,615)	(49,642)	(152,584)
Advances from a related company		11,044	60,621	4,404,520	98,338
Proceeds from Borrowings		20,000	87,500	20,000	93,843
Repayments of Borrowings		(90,000)	(3,356,245)	(90,000)	(9,600)
Dividends Paid		(319,715)	(292,170)	(319,715)	(1,520)
Net Cash used in financing activities		(428,313)	(3,534,909)	3,965,163	28,477
Net increase (decrease) in cash held		8,369	34,516	(15,814)	7,771
Cash at beginning of the financial year		35,765	1,249	8,127	356
Cash at end of the financial year	6	44,134	35,765	(7,687)	8,127

The accompanying notes form part of these financial statements.

Belmont Holdings Limited

Notes to the financial statements - 30 June 2005

Note 1: Summary of significant accounting policies

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report covers the economic entity of Belmont Holdings Limited and controlled entities and Belmont Holdings Limited as an individual parent entity. Belmont Holdings Limited is a listed public company incorporated and domiciled in Australia.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

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

(a) Principles of Consolidation

A controlled entity is any entity controlled by Belmont Holdings Limited. Control exists where Belmont Holdings Limited has the capacity to dominate the decision-making in relation to the financial and operating policies of another entity so that the other entity operates with Belmont Holdings Limited to achieve the objectives of Belmont Holdings Limited. A list of controlled entities is contained in Note 25 to the financial statements.

All inter-company balances and transactions between entities in the economic entity, including any unrealised profits or losses have been eliminated on consolidation.

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

The accounts of 26.4% owned London City Equities Limited are included by adopting the equity method of accounting (equity accounted as a 26.4% owned entity in 2004).

(b) Income Tax

The economic entity adopts the liability method of tax-effect accounting whereby the income tax expense is based on the profit from ordinary activities adjusted for any permanent differences.

Timing differences which arise due to the different accounting periods in which items of revenue and expense are included in the determination of accounting profit and taxable income are brought to account as either a provision for deferred income tax or as a future income tax benefit at the rate of income tax applicable to the period in which the benefit will be received or the liability will become payable.

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond reasonable doubt. Future income tax benefits in relation to tax losses are not brought to account unless there is virtual certainty of realisation of the benefit.

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

Belmont Holdings Limited

Notes to the financial statements - 30 June 2005

Note 1: Summary of significant accounting policies (Cont'd)

Tax effect accounting procedures are followed whereby the income tax expense in the profit & loss account is matched with the accounting profit (after allowing for permanent differences). The future tax benefit relating to tax losses is not carried forward as an asset unless the benefit can be regarded as being virtually certain of realisation. Income tax on net cumulative timing differences is set aside to the deferred income tax and future income tax benefit account at the rates which are expected to apply when those timing differences reverse. The current tax rates have been used for this purpose. The group entities have entered into a tax sharing agreement (tax consolidation).

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

(c) Investments

Shares in listed companies held as current assets are valued by directors at those shares' market value at each balance date. The gains or losses whether realised or unrealised, are included in the profit from ordinary activities before income tax.

Non-current investments are measured on the cost basis. The carrying amount of non-current investments is reviewed annually by directors to ensure it is not in excess of the recoverable amount of these investments. The recoverable amount is assessed from the quoted market value for listed instruments or the underlying net assets for other non-listed investments.

The expected net cash flows from investments have not been discounted to their present value in determining the recoverable amounts.

(d) Investments: Controlled Entities & Associates

The investments in certain subsidiary companies are shown at Directors Valuations as at 30 June 2004 and take account of a Provisions for Diminution in Value applied at that date.

Dividends are brought to account in the profit and loss account when they are credited or paid by the controlled entity.

London City Equities Limited is not recognised as a controlled entity because it is a company over which the group is not able to exercise control despite its 26.4% equity ownership, as another shareholder controls 45.0%.

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

(e) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

Plant and equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal.

The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

Belmont Holdings Limited

Notes to the financial statements - 30 June 2005

Note 1: Summary of significant accounting policies (Cont'd)

(f) Foreign Currency Translation

All foreign currency transactions are converted at exchange rates ruling at transaction date.

Amounts receivable and payable in foreign currencies at balance date are converted at the rates of exchange ruling at that date. At 30 June 2005 Stg1.00 = \$2.3674 (2004 - \$2.6205).

The gains and losses from conversion of assets and liabilities, whether realised or unrealised, are included in profit from ordinary activities as they arise.

The economic entity is not normally exposed to fluctuations in foreign exchange rates and interest rates from its activities and it is not the policy of the economic entity to use derivative financial instruments. The economic entity does not hedge its exposure to foreign currency fluctuations.

(g) Employee Entitlements

The company has no employees.

(h) Cash

For the purpose of the statement of cash flows, cash includes:

- cash on hand and at call deposits with banks or financial institutions, net of bank overdrafts; and
- investments in money market instruments with less than 14 days to maturity.

(i) Revenue

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

Dividend revenue is recognised when the right to receive a dividend has been established. Dividends received from associates are accounted for in accordance with the equity method of accounting.

Revenue from the rendering of a service is recognised upon delivery of the service.

(j) Impact of Adoption of Australian Equivalents to International Financial Reporting Standards

The company is preparing and managing the transition to Australian Equivalents to International Financial Reporting Standards (AIFRS) effective for the financial years commencing from 1 January 2005. The adoption of AIFRS will be reflected in the economic entity's and the parent company's financial statements for the year ended 30 June 2006. On first time adoption of AIFRS, comparatives for the financial year ended 30 June 2005 are required to be restated. The majority of the AIFRS transitional adjustments will be made retrospectively against retained earnings at 1 July 2004.

The economic entity, with the assistance of external consultants, has assessed the significance of the expected changes and is preparing for their implementation. An AIFRS team is overseeing and managing the economic entity's transition to AIFRS. The impact of the alternative treatments and elections under AASB 1: First Time Adoption of Australian Equivalents to International Financial Reporting Standards has been considered where applicable.

The Directors are of the opinion that the key material differences in the economic entity's accounting practices on conversion to AIFRS and the financial effect of these differences where known, are set out below. Users of the financial statements should note, however, that the amounts disclosed could change if there are any amendments by standard-setters to the current AIFRS or interpretation of the AIFRS requirements changes from the continuing work of the economic entity's AIFRS team.

- Impairment of Assets

The economic entity currently determines the recoverable amount of an asset on the basis of undiscounted net cash flows that will be received from the assets use and subsequent disposal. In terms of pending AASB 136: Impairment of Assets, the recoverable amount of an asset will be determined as the higher of fair value less costs to sell and value in use. It is likely that this change in accounting policy will lead to impairments being recognised more often than under the existing policy.

Belmont Holdings Limited

Notes to the financial statements - 30 June 2005

Note 1: Summary of significant accounting policies (Cont'd)

- Goodwill on Consolidation

Under the proposed changes to IAS 22: Business Combinations, goodwill is to be capitalised to the statement of financial position and subjected to an annual impairment test. Amortisation is to be prohibited. Current accounting policy of the entity is to amortise goodwill on a straight line basis over the period of 20 years.

- Non-current Investments

Under the pending AASB 139: Financial Instruments: Recognition and Measurement, financial instruments that are classified as available for sale instruments must be carried at fair value. Unrealised gains or losses may be recognised either in income or directly to equity. Current accounting policy is to measure non-current investments at cost, with an annual review by directors to ensure that the carrying amounts are not in excess of the recoverable value of the investment.

- Income Tax

Currently, the economic entity adopts the liability method of tax-effect accounting whereby the income tax expense is based on the accounting profit adjusted for any permanent differences. Timing differences are currently brought to account as either a provision for deferred income tax or future income tax benefit. Under the Australian equivalent to IAS 12, the economic entity will be required to adopt a balance sheet approach under which temporary differences are identified for each asset and liability rather than the effects of timing and permanent differences between taxable income and accounting profit.

- Summary of Estimated Financial Impact

On transition to AIFRS the estimated cumulative financial effect of the reliably known differences on the parent and economic entity's reported net profit and equity as at 30 June 2005 is summarised below. As noted above, these amounts represent management's best estimates, and could differ from actuals.

	Consolidated 2005	Parent Entity 2005
	\$	\$
<i>Reconciliation of Net Profit:</i>		
Net Profit (Loss) reported under Australian Accounting Standards	157,915	256,450
Key transitional adjustments:		
- Recognition of Impairment loss	-	-
Total transitional adjustments:	-	-
Net Profit under AIFRS	157,915	256,450
<i>Reconciliation of Equity</i>		
Total Equity reported under Australian Accounting Standards	4,428,795	4,789,163
Retrospective Adjustments to equity at 1 July 2004	-	-
- Recognition of Impairment loss	-	-
Decrease in current year profit resulting from transition to AIFRS	-	-
Recognition of deferred tax on revalued assets	-	-
Total transitional adjustments:	-	-
Total Equity under AIFRS	4,428,795	4,789,163

Belmont Holdings Limited

Notes to the financial statements - 30 June 2005

Note 2. Segmental information

During 2004/2005 the economic entity acted mainly in the investment and property sectors within Australia.

2005	Investment	Property	Consolidated
	\$	\$	\$
Revenue			
Investment /other revenue	181,358	-	181,358
Segment Result			
Profit after Tax	(133,073)	290,988	157,915
Segment Assets	4,528,814	-	4,528,814
Segment Liabilities	(100,019)		(100,019)
Other:			
Depreciation	(942)	-	(942)
Net cash inflow from operating activities	(1,319,671)	-	(1,319,671)
Share of net profits of equity accounted associates	12,638		12,638
Carrying amount of investment in Associates accounting for using the equity accounting method	1,412,636	-	1,412,636

During 2003/2004 the economic entity acted mainly in the investment and property sectors within Australia.

2004	Investment	Property	Consolidated
	\$	\$	\$
Revenue			
Investment /other revenue	2,142,290	8,977,600	11,119,890
Segment Result			
Profit after Tax	102,205	1,886,518	1,988,723
Segment Assets	6,290,065	-	6,290,065
Segment Liabilities	(428,670)	(1,270,800)	(1,699,470)
Other:			
Depreciation	(542)	-	(542)
Net cash inflow from operating activities	(68,037)	(325,373)	(393,410)
Share of net profits of equity accounted associates	258,636	-	258,636
Carrying amount of investment in Associates accounting for using the equity accounting method	1,499,998	-	1,499,998

Belmont Holdings Limited

Notes to the financial statements - 30 June 2005

Note 3. Revenue

From operating activities

Dividend revenue from:

- wholly owned subsidiaries
- associated companies

Interest

Services - Management Fee

Other

Proceeds - sale of shares

Proceeds - sale of property

From non-operating activities

Reduction in provision for diminution - loan

Reduction in provision for diminution - shares

Total Operating Revenue

Share of net profit of associate accounted

Note 4. Profit from ordinary activities

Net gains and expenses

Profit from ordinary activities before income tax

has been determined after:

(a) Expenses

Auditors Fees (Note 20)

Borrowing Costs

Interest and finance charges payable

Depreciation - plant and equipment

Directors fees

Employee Benefit Expense

Loss on sale of shares

Professional fees - director related

Additional Finance charge re properties

Rental expense on operating leases

Other Expenses

Total Operating Expenses

Less Book Value of Properties Sold

Less Proceeds of Shares - deducted

Net Operating Gain (Loss)

(b) Revenue and net gains

Profit on sale of property

Reduction in provision for diminution - shares

Reduction in provision for diminution - loan

Management fee - associated company

(c) Individually Significant Items included above

Profit on sale of property

Reduction in provision for diminution - shares

Reduction in provision for diminution - loan

Loss on sale of shares

Additional Finance charge re properties

	Consolidated 2005 \$	Consolidated 2004 \$	Parent Entity 2005 \$	Parent Entity 2004 \$
From operating activities				
Dividend revenue from:				
- wholly owned subsidiaries	-	-	-	4,590,000
- associated companies	-	-	100,000	81,232
Interest	99,259	3,507	95,044	-
Services - Management Fee	69,456	68,448	69,456	68,448
Other	12,643	78	12,643	78
Proceeds - sale of shares	-	107,305	-	-
Proceeds - sale of property	-	8,977,600	-	-
	181,358	9,156,938	277,143	4,739,758
From non-operating activities				
Reduction in provision for diminution - loan	-	-	-	700,000
Reduction in provision for diminution - shares	-	1,962,952	-	-
	-	1,962,952	-	700,000
Total Operating Revenue	181,358	11,119,890	277,143	5,439,758
Share of net profit of associate accounted	12,638	258,636		
Net gains and expenses				
Profit from ordinary activities before income tax				
has been determined after:				
(a) Expenses				
Auditors Fees (Note 20)	(21,215)	(14,779)	(21,215)	(14,779)
Borrowing Costs				
Interest and finance charges payable	(1,332)	(210,402)	(403)	(182,458)
Depreciation - plant and equipment	(942)	(542)	-	-
Directors fees	(23,353)	(24,000)	(23,353)	(24,000)
Employee Benefit Expense	(60,934)	-	(60,934)	-
Loss on sale of shares	-	(1,958,642)	-	-
Professional fees - director related	(149,120)	(127,200)	(149,120)	(127,200)
Additional Finance charge re properties	-	(609,880)	-	-
Rental expense on operating leases	(11,815)	(11,410)	(11,815)	(11,410)
Other Expenses	(58,358)	(54,843)	(53,853)	(44,275)
Total Operating Expenses	(327,069)	(3,011,698)	(320,693)	(404,122)
Less Book Value of Properties Sold	-	(5,000,000)	-	-
Less Proceeds of Shares - deducted	-	(107,305)	-	-
Net Operating Gain (Loss)	(133,073)	3,259,523	(43,550)	5,035,636
(b) Revenue and net gains				
Profit on sale of property	-	3,977,600	-	-
Reduction in provision for diminution - shares	-	1,962,952	-	-
Reduction in provision for diminution - loan	-	-	-	700,000
Management fee - associated company	69,456	68,448	69,456	68,448
(c) Individually Significant Items included above				
Profit on sale of property	-	3,977,600	-	-
Reduction in provision for diminution - shares	-	1,962,952	-	-
Reduction in provision for diminution - loan	-	-	-	700,000
Loss on sale of shares	-	(1,958,642)	-	-
Additional Finance charge re properties	-	(609,880)	-	-

Belmont Holdings Limited

Notes to the financial statements - 30 June 2005

	Consolidated 2005 \$	Consolidated 2004 \$	Parent Entity 2005 \$	Parent Entity 2004 \$
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Note 5. Income Tax Expense

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

Profit (loss) - ordinary activities before income tax expense	(133,073)	3,259,523	(43,550)	5,035,636
Income tax calculated at 30%	39,922	(977,857)	13,065	(1,510,691)
Add:				
Tax effect of:				
- other non allowable items	-	(1,247,999)	-	-
Less:				
Tax effect of:				
- capital profits not subject to income tax		587,593		
Income tax benefits not brought to account because of tax losses	(39,922)	367,463	(13,065)	1,510,691
Overpayment of Previous Year Tax	290,988	-	300,000	-
Income Tax Payable (Credit) for year	290,988	(1,270,800)	300,000	-

No future income tax has been brought to account in 2005 in the accounts of the economic entity and in the consolidated accounts because of the pre-tax loss sustained in the year.

No account has been taken of potential revenue tax losses of \$133,000 in 2005. This loss has not been confirmed by the tax authorities. The taxation benefits will only be obtained if:

- (i) Assessable income is derived of a nature and of amount sufficient to enable the benefit of the deductions to be realised;
- (ii) Conditions for deductibility imposed by the law complied with; and
- (iii) No changes in tax legislation adversely affect the realisation of the benefit and of the deductions.

Note 6. Current assets - Cash Assets

Cash at Bank and on Hand	44,134	35,765	(7,687)	8,127
	44,134	35,765	(7,687)	8,127

Note 7. Current assets - Receivables

Other Debtors	10,828	106,980	10,620	(993)
Bills of Exchange - Commonwealth Bank Bills	2,698,678	-	2,698,678	-
Amounts receivable from:				
Wholly owned subsidiaries	-	-	3,711,219	4,123,928
Less: Provision for Diminution in Value	-	-	-	-
Associated Company	31,398	-	31,398	-
Sum due re Properties - 5 January 2005	-	4,617,600	-	-
	2,740,904	4,724,580	6,451,915	4,122,935

Note 8. Current assets - Tax

Current Tax Asset	300,000	-	300,000	-
	300,000	-	300,000	-

Belmont Holdings Limited

Notes to the financial statements - 30 June 2005

	Consolidated 2005	Consolidated 2004	Parent Entity 2005	Parent Entity 2004
	\$	\$	\$	\$

Note 9. Non current assets - other financial assets - Investments

Listed investments

Shares in other corporations - at cost	1,577	1,577	-	-
Shares in associated corporations - at cost	2,448,171	2,535,532	2,196,759	2,196,759
Less Prov. for write-down to a recoverable amount	(1,035,535)	(1,035,535)	(1,035,535)	(1,035,535)
	1,414,213	1,501,574	1,161,224	1,161,224

Unlisted investments

Shares in Controlled Corporation - at Directors Valuation 2004			2,300,000	2,300,000
Shares in Controlled Corporation - at cost	-	-	1,900,000	1,900,000
Less Provision for write-down to a recoverable amount	-	-	(1,200,000)	(1,200,000)
	-	-	3,000,000	3,000,000

Term Deposit at bank

	26,335	26,335	-	-
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Total	1,440,548	1,527,909	4,161,224	4,161,224
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Listed Investments - Market Values:

The aggregate market values of investments

listed on prescribed stock exchanges are:

	1,151,500	1,051,578	1,150,000	1,050,000
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Note: Non-traded investments in shares in corporations have been written down to their assessed amount, taking into account the underlying net tangible asset backing. These are long term investments and the values are considered appropriate.

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

Plant and Equipment

Plant and Equipment - at cost	19,234	18,134	-	-
Less: Accumulated Depreciation	(16,006)	(16,323)	-	-
	3,228	1,811	-	-
Total Plant & Equipment	3,228	1,811	-	-
Total Property, Plant & Equipment	3,228	1,811	-	-

Movement in carrying amount

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

Consolidated

Plant and Equipment

Total

Carrying amount at 1 July 2004	1,811	1,811
Purchases of new Office Equipment	2,550	2,550
Disposal of asset	(191)	(191)
Depreciation expense	(942)	(942)
Carrying amount at 30 June 2005	3,228	3,228

	Consolidated 2005	Consolidated 2004	Parent Entity 2005	Parent Entity 2004
	\$	\$	\$	\$

Note 11. Current Liabilities - Payables

Wholly owned subsidiaries	-	-	6,015,386	3,301,968
Associated Entity	-	6,365	-	6,365
Directors or their Director Related Entities	68,382	109,632	68,382	109,632
Other Creditors	31,637	312,673	32,521	21,893
	100,019	428,670	6,116,289	3,439,858

Belmont Holdings Limited

Notes to the financial statements - 30 June 2005

	Consolidated 2005	Consolidated 2004	Parent Entity 2005	Parent Entity 2004
	\$	\$	\$	\$

Note 12. Current Liabilities - Tax Liabilities

Income Tax

-	1,270,800	-	-
-	1,270,800	-	-

Note 13. Non-current liabilities - Interest Bearing Liabilities

Assets pledged as security

The carrying amount of non-current assets pledged as security are:

First mortgage

Bank Deposit re guarantee facility to Council

25,000	25,000	-	-
25,000	25,000	-	-

Financing arrangements:

Total facilities

Guarantee for ASIC bond - unsecured

Bank guarantee for land restoration

-	20,000	-	20,000
25,000	25,000	-	-
25,000	45,000	-	20,000

Used at balance date:

Guarantee for ASIC bond - unsecured

Bank guarantee for land restoration

-	20,000	-	20,000
25,000	25,000	-	-
25,000	45,000	-	20,000

Unused at balance date:

Guarantee for ASIC bond - unsecured

Bank guarantee for land restoration

-	-	-	-
-	-	-	-
-	-	-	-

Note 14. Contributed equity

(a) Share capital

2,906,504 (2004: 2,906,504)

fully paid ordinary shares

1,560,970	1,560,970
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(b) Movement in ordinary share capital:

Balance at beginning of accounting period

Movements during the year

Balance at reporting date

1,560,970	1,560,970
-	-
1,560,970	1,560,970

(c) Movement in ordinary share numbers:

Balance at beginning of accounting period

Movements during the year

Balance at reporting date

2,906,504	2,906,504
-	-
2,906,504	2,906,504

(d) Ordinary Shares

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

Belmont Holdings Limited

Notes to the financial statements - 30 June 2005

Note 15. Reserves and retained profits

(a) Reserves

	Consolidated 2005 \$	Consolidated 2004 \$	Parent Entity 2005 \$	Parent Entity 2004 \$
Capital Profits Reserve	4,853,886	4,853,886	-	-
Asset Revaluation Reserve	-	-	2,642,275	2,642,275
Premium on Consolidation	(9,478)	(9,478)	-	-
	<u>4,844,408</u>	<u>4,844,408</u>	<u>2,642,275</u>	<u>2,642,275</u>

Movements:

Asset Revaluation Reserve				
Balance at 1 July 2004	-	4,481,837	2,642,275	4,842,275
Increase/(Decrease) in Reserve by revaluation	-	-	-	(2,200,000)
Transfer to Capital Profits Reserve - realised gain	-	(4,481,837)	-	-
Balance at 30 June 2005	<u>-</u>	<u>-</u>	<u>2,642,275</u>	<u>2,642,275</u>

Capital Profits Reserve

Balance at 1 July 2004	4,853,886	372,049	-	-
Transfer from Asset Revaluation Reserve				
- Gain now realised	-	4,481,837	-	-
Balance at 30 June 2005	<u>4,853,886</u>	<u>4,853,886</u>	<u>-</u>	<u>-</u>

(b) Retained Profits / (Accumulated losses)

Accumulated losses - beginning of the financial year	(1,814,783)	(3,512,855)	649,183	(4,095,802)
Net gain (loss) loss attributable to members of Belmont Holdings Limited	157,915	1,988,723	256,450	5,035,636
Dividends paid	(319,715)	(290,651)	(319,715)	(290,651)
Balance at 30 June 2005	<u>(1,976,583)</u>	<u>(1,814,783)</u>	<u>585,918</u>	<u>649,183</u>

(c) Nature and purpose of reserves

Asset Revaluation Reserve

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets, as described in the accounting policies. The balance standing to the credit of the reserve may only be used to satisfy the distribution of bonus shares to shareholders and is only available for the payment of cash dividends in limited circumstances as permitted by law.

Note 16. Equity

Total equity at the beginning of the financial year	4,590,595	2,892,522	4,852,429	2,307,443
Total changes in equity recognised in the statement of financial performance	157,915	1,988,723	256,450	2,835,636
Less Dividend Paid during Year	(319,715)	(290,650)	(319,715)	(290,650)
Total equity at the end of the financial year	<u>4,428,795</u>	<u>4,590,595</u>	<u>4,789,164</u>	<u>4,852,429</u>

Note 17. Dividends

Dividends paid - Fully Franked	'5 January 2005	319,715	290,651	319,715	290,651
Dividends proposed - Fully Franked	'15 December 2005	319,715	319,715	319,715	319,715

(b) Franking credits

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

	913,702	1,337,232	903,416	1,337,232
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The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for franking credits and debits arising from payment of tax liabilities and receipt of franked dividends.

Belmont Holdings Limited

Notes to the financial statements - 30 June 2005

Note 18. Financial instruments

(a) Credit risk

The credit risk on financial assets of the consolidated entity which have been recognised on the statement of financial position other than investments in shares and a managed fund is generally the carrying amount, net of any provisions for diminution in value.

(b) Interest rate risk

The economic entity's exposure to interest rate risk which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates may be shown by the weighted average interest rates set out in the following table.

	Floating interest rate	Maturing in 1 year or less	Maturing in Over 1 to 5 yrs	Non-interest bearing	Total
2005	\$	\$	\$	\$	\$
Financial assets					
Cash and deposits	44,134			-	44,134
Receivables	2,698,678			42,226	2,740,904
Other financial assets - Investments				1,440,548	1,440,548
	2,742,812	-	-	1,482,774	4,225,586
Weighted Average interest rate	5.0%	0.0%		6.8%	0.0%
Financial liabilities					
Other Creditors	-	-	-	32,799	32,799
Unsecured loans	-	-		67,380	67,380
	-	-	-	100,179	100,179
Weighted Average interest rate				0.0%	8.8%
Net financial assets (liabilities)	2,742,812	-	-	1,382,595	4,125,407
2004					
Financial assets	\$	\$	\$	\$	\$
Cash and deposits	27,638			8,127	35,765
Receivables				4,724,580	4,724,580
Other financial assets - Investments		26,335		1,501,575	1,527,910
	27,638	26,335	-	6,234,282	6,288,255
Weighted Average interest rate	3.6%	5.3%		1.5%	0.0%
Financial liabilities					
Other Creditors	-	-	-	1,582,864	1,582,864
Unsecured loans	-	-		116,707	116,707
	-	-	-	1,699,571	1,699,571
Weighted Average interest rate				0.0%	8.8%
Net financial assets (liabilities)	27,638	26,335	-	4,534,711	4,588,684

Belmont Holdings Limited

Notes to the financial statements - 30 June 2005

(c) Net fair value of financial assets and liabilities - on balance sheet

The net fair value of cash and cash equivalents and non-interest bearing monetary assets and financial liabilities of the company approximates their carrying value.

The net fair value of other monetary financial assets and financial liabilities is based upon market prices where a market exists or by discounting the expected future cash flows by the current interest rate for assets and liabilities with similar risk profiles.

Equity investments traded on organised markets have been valued by reference to market prices prevailing at balance date. For non-traded equity investments, the net fair value is an assessment by the directors based on the underlying net assets, future maintainable earnings and any special circumstances pertaining to a particular investment.

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

	2005		2004	
	Carrying Amount	Net Fair Value	Carrying Amount	Net Fair Value
On-balance sheet financial instruments	\$	\$	\$	\$
Financial assets				
Cash	44,134	44,134	-	-
Receivables	2,740,904	2,740,904	-	-
Other Investments	(61,027)	(61,027)	(1,501,575)	(1,501,575)
Non-traded financial assets	2,724,011	2,724,011	(1,501,575)	(1,501,575)
Traded investments	1,414,213	1,112,605	1,161,224	2,553,153
	4,138,224	3,836,616	(340,351)	1,051,578
Financial liabilities				
	Carrying Amount	Net Fair Value	Carrying Amount	Net Fair Value
	\$	\$	\$	\$
Other creditors	32,799	32,799	-	-
Secured Loans	-	-	-	-
Unsecured loans	67,380	67,380	-	-
Non-traded financial liabilities	100,179	100,179	-	-

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

Net fair value is exclusive of costs which would be incurred on realisation of an asset, and inclusive of costs which would be incurred on settlement of a liability.

Financial assets where the carrying amount exceeds net fair values have not been written down as they represent the investment in an associated company which the economic entity intends to hold as a long term investment.

Note 19. Directors and Executives' Remuneration

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

Parent Entity Directors:

Mr P E J Murray	- Chairman	
Mr P G Cooper	- Director - Non-Executive	
Mr I G Hardy	- Director - Executive	Appointed 14 July 2004; retired 22 June 2005
Mr P C F Wood	- Director - Non-Executive	Retired 16 November 2004
Mr J C Plummer	- Director - Non-Executive	Appointed 16 November 2004

Belmont Holdings Limited

Notes to the financial statements - 30 June 2005

(b) Parent Entity Directors' Remuneration

2005	Salary, Fees & Commissions	Primary Superannuation Contributions	Post Employment	Equity Options	Other	Total
Mr P E J Murray	151,530	217	-	-	-	151,747
Mr P G Cooper	8,000	720	-	-	-	8,720
Mr I G Hardy	64,988	5,849	-	-	-	70,837
Mr P C F Wood	8,000	720	-	-	-	8,720
Mr J C Plummer	4,858	440	-	-	-	5,298
	232,518	7,946	-	-	-	245,322

2004	Salary, Fees & Commissions	Primary Superannuation Contributions	Post Employment	Equity Options	Other	Total
Mr P E J Murray	135,000	800	-	-	-	135,800
Mr P G Cooper	8,000	800	-	-	-	8,800
Mr P C F Wood	8,000	800	-	-	-	8,800
	151,000	2,400	-	-	-	153,400

(c) Shareholdings

Number of Shares held by Parent Entity Directors and Specified Executives

Parent Entity Directors

	Balance	Received as Remuneration	Options Exercised	Net change *	Balance
	1.7.04				30.06.05
Mr P E J Murray	1,086,945	-	-	-	1,086,945
Mr P G Cooper	110,000	-	-	-	110,000
Mr JC Plummer	-	-	-	51,000	51,000
	1,196,945	-	-	51,000	1,247,945

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

(h) Remuneration Practices

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

The company has no formal executives. However, remuneration for directors, is based on the total amount allocated by way of shareholders in general meeting and, in the case of Mr Murray, by an assessment of experience, performance and tasks undertaken through the year. In the main, an hourly fee of \$80 is payable, plus a share of advisory fee income (previously with the Dealers Licence). Not all time is claimed by Mr Murray.

	Consolidated 2005	Consolidated 2004	Parent Entity 2005	Parent Entity 2004
Note 20. Auditor's Remuneration	\$	\$	\$	\$
Remuneration for audit or review of the financial reports of the parent or any entity in the economic entity				
Cutcher & Neale	12,715	14,393	12,715	14,393
Remuneration for other services:				
Cutcher & Neale	8,500	386	8,500	386
Total	21,215	14,779	21,215	14,779

Belmont Holdings Limited

Notes to the financial statements - 30 June 2005

Note 21. Contingent Liabilities

In support of past and future financing needs the parent company and its subsidiary Imperial Pacific Investments Pty Ltd have in place cross-guarantees to the bank. Imperial Pacific Investments has no present facilities with the Bank.

	Consolidated 2005	Consolidated 2004	Parent Entity 2005	Parent Entity 2004
Note 22. Capital and Leasing commitments				
(a) Capital Expenditure Commitments	\$	\$	\$	\$
There are no material capital commitments outstanding at year end.				
(b) Operating Lease Commitments				
Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities, payable				
Not later than one year	11,044	11,044	11,044	11,044
Later than one year but not later than 5 years	14,725	25,769	14,725	25,769
	<u>25,769</u>	<u>36,813</u>	<u>25,769</u>	<u>36,813</u>

These commitments represent non-cancellable operating leases.

Note 23. Employee entitlements

There is no pension scheme within the immediate group entities as at 30 June 2005. The company has no formal employees.

Note 24. Related Party transactions

Directors

The names of persons who were Directors of Belmont Holdings Limited at any time during the financial year were PEJ Murray, P.G.Cooper, IG Hardy, P.C.F. Wood and JC Plummer. All of these persons were directors during the year ended 30 June 2005. Mr I.G.Hardy was appointed a director on 14 July 2004 and retired on 22 June 2005. Mr PCF Wood retired on 16 November 2004. Mr JC Plummer joined the Board on 16 November 2004. All directors are directors of associated entity London City Equities Limited.

Remuneration

Information on remuneration of directors is disclosed in Note 19.

Other related parties

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

Interest payable				
Associated corporation - London City Equities Limited	-	4,264	4,264	4,264
Management fee revenue				
Associated corporation - London City Equities Limited	69,456	68,448	69,456	68,448

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

Current payables				
Controlled entities (loan)	-	-	(5,832,932)	(3,301,968)
Director related	(68,382)	(97,782)	(68,382)	(97,782)
Associated entity (intercompany balance)	-	(6,365)	-	(6,365)
Current receivables				
Controlled entities (loan)	-	-	3,711,219	4,123,927
Associated entity (intercompany balance)	31,398	-	-	-

Messrs. P.E.J.Murray, P.G.Cooper, P.C.F.Wood, IG Hardy and JC Plummer received director fee remuneration of \$3,282, \$10,900, \$10,000, \$5,522 and \$6,660 respectively from associated entity, London City Equities Limited.

Belmont Holdings Limited

Notes to the financial statements - 30 June 2005

Note 25. Investment in controlled entities

Name of Entity	Country of Incorp'n	Class of shares	Equity holding		Cost of parent entity's investment	
			2005	2004	2005	2004
Imperial Pacific Asset Management Pty Limited	Australia	Ordinary Shares	100	100	1,900,000	1,900,000
Prov'n for Diminution in Value					(1,200,000)	(1,200,000)
					<u>700,000</u>	<u>700,000</u>
Imperial Pacific Fund Managers Pty Limited (see Note)	Australia	Ordinary Shares	100	100	2,300,000	2,300,000
Imperial Pacific Holdings Pty Limited	Australia	Ordinary Shares	100	100	*	*

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

Note 26. Investment in associates

Name of company	Ownership Interest		Consolidated carrying amount		Parent entity carrying amount	
	2005	2004	2005	2004	2005	2004
Traded on organised markets:			\$	\$	\$	\$
London City Equities Limited						
Limited	26.4%	26.4%	1,412,635	1,499,997	1,161,224	1,161,224
(Incorporated in Australia)						
Strategic holding company investing in shares, deposits and property			<u>1,412,635</u>	<u>1,499,997</u>	<u>1,161,224</u>	<u>1,161,224</u>

Consolidated carrying amount

2005 2004

Movements in carrying amounts of investments in associate

Carrying amount at the beginning of the financial year	1,499,997	1,040,055
Share of operating profits (losses) after income tax	12,638	258,636
Equity acquired through exercise of options		395,832
Equity sold by subsidiary		(102,995)
Less dividends received from associates	(100,000)	(91,531)
Carrying amount at the end of the financial year	<u>1,412,635</u>	<u>1,499,997</u>

Results attributable to associate

Operating profits before income tax	12,638	258,636
Income tax expense	-	-
Operating profits after income tax	<u>12,638</u>	<u>258,636</u>
Less dividends receivable	<u>(100,000)</u>	<u>(91,531)</u>
	<u>(87,362)</u>	<u>167,105</u>
Realised profits attributable to associates at the beginning of the financial year	<u>251,934</u>	<u>84,829</u>
Retained profits attributable to associates at the end of the financial year	<u>164,572</u>	<u>251,934</u>

Reserves attributable to associate

Capital Profits reserve	86,840	86,840
-------------------------	--------	--------

Share of associate's contingent liabilities

Nil Nil

Share of associate's expenditure commitments

Nil Nil

Summary of the performance and financial position of associates

The aggregate profits, assets and liabilities of associates are:

Profits from ordinary activities after income tax	47,909	1,071,812
Assets	4,549,812	4,549,812
Liabilities	59,165	59,165

Belmont Holdings Limited

Notes to the financial statements - 30 June 2005

Note 27. Economic dependency

The major trading activity of the group during the year 2004/2005 was the management of London City Equities Limited and the corresponding investment in equities, property and cash by that company. The 26.4% owned London City Equities Limited has acquired since May 2004 a 13.4% shareholding in CCI Holdings Limited. This company is a leading provider of certification and Asset reliability testing services to the Australian coal industry. To this extent, Belmont accepts there is some reliance and dependence on the coal sector in Australia.

Note 28. Events occurring after balance date

Matters subsequent to 30 June 2005

- (a) A subsidiary, Imperial Pacific Asset Management Pty Limited signed its Management Agreement with London City Equities on 1 July 2005.
- (b) Since 30 June 2005, CCI Holding Limited, 13.4% owned by associate London City Equities Limited, has announced its 2005 results. These showed turnover of \$52.3 million, Earnings before Interest, Tax, Depreciation and Amortisation of \$5.1 million before significant write-downs of \$9.7 million and borrowing costs resulted in a final loss of \$8.6 million.
- (c) A dividend of 11.0 cents per share has been proposed by the Directors. This sum was not provided for in the Financial Statements.

Note 29. Cash Flow Information

	Consolidated		Parent Entity	
	2005	2004	2005	2004
	\$	\$	\$	\$
Reconciliation of operating profit after income tax to net cash inflow from operating activities:				
Operating Profit (Loss) after Income Tax	157,915	1,988,723	256,450	5,035,636
Non cash flows in operating profit / (loss)				
Income Tax credit due - not received	(290,988)		(300,000)	
Income Tax accrued - not paid		1,270,800		-
Income Tax paid re previous year	(1,278,728)		(1,274,006)	
Depreciation	942	542	-	-
Intercompany Dividend	-	-		(4,590,000)
Loss on Sale of Shares	-	1,958,642	-	-
Minority Interest in Associated company	(12,638)	(167,105)	-	-
Dividend Received - Associated Company	100,000	91,531	100,000	81,232
Net gain on disposal of property	-	(3,977,600)		
Option Monies due in 2003 paid in 2004	-	200,000	-	-
Provision for Diminution - Loan	-	-		(700,000)
Provision for Diminution - Shares	-	(1,962,952)		
Profit Share Accrued and not paid		289,880		-
Interest Accrued - not received	(28,021)	-	(28,021)	-
Changes in assets and liabilities				
(Increase) Decrease in other Debtors	101,894	-	(11,613)	(2,813)
Increase (Decrease) in other Creditors	(32,284)	(12,131)	(30,622)	5,608
Increase in related party items for non-cash income	(37,763)	(73,741)	5,513	149,631
Net Cash used by Operating Activities	(1,319,671)	(393,411)	(1,282,299)	(20,706)
Cash Balances at Year End comprise:				
Cash at Bank and on hand (Note 6)	44,134	35,765	(7,687)	8,127
Balance as per Cash Flow Statement	44,134	35,765	(7,687)	8,127

Note 30. Earnings per share

Basic Earnings per share	Cents	5.43	68.42
Weighted average number of ordinary shares during the year used in the calculation of basic EPS		2,906,504	2,906,504

Belmont Holdings Limited



Directors' Declaration

The Directors of the company declare that the financial statements and notes as set out on pages 11 to 29 are in accordance with the Corporations Act 2001 and:

- (a) comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- (b) give a true and fair view of the financial position as at 30 June 2005 and of the performance for the year ended on that date of the company and economic entity.

In the directors' opinion :

- (a) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- (b) at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group identified in Note 25 will be able to meet any obligations or liabilities to which they are, or may be become, subject by virtue of the deed of cross guarantee described in Note 21.

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

P. E. J. MURRAY, Director

P. G.COOPER, Director

Sydney

Dated: 27 September 2005



**INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF
BELMONT HOLDINGS LIMITED
AND ITS CONTROLLED ENTITIES**

ABN 65 000 144 561

ABN 40 332 649 703

The Bolton Building
25 Bolton Street
Newcastle 2300
PO Box 694

Phone (02) 4928 8500
Fax (02) 4926 1971

www.cutcher.com.au
cnmail@cutcher.com.au

Scope

The financial report comprises the statement of financial position, statement of financial performance, statement of cashflows, accompanying notes to the financial statements, and the Directors' Declaration for Belmont Holdings Limited and Controlled Entities, for the year ended 30 June 2005. The consolidated entity comprises both the company and the entities it controlled during that year.

The Directors of the company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit in order to express an opinion to the Members. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report is presented fairly in accordance with the Corporations Act 2001, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the company's and the consolidated entity's financial position, and of their performance as represented by the results of their operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- (a) examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report; and
- (b) assessing the reasonableness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Directors.



A.R. MacNeill B.Com. F.C.A.
D.A. Carpenter B.Com. C.A.

R.C. Taber B.Com. F.C.A.
P.S. Smith B.Com F.C.A.
J.H. Bramble B.Com C.A.

I.K. Neale B.Com. F.C.A.
M.J. O'Connor B.Com. C.A.



While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

Audit Opinion

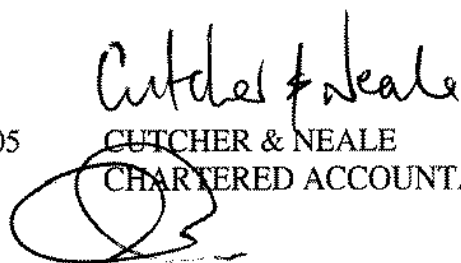
In our opinion, the financial report of Belmont Holdings Limited and Controlled Entities is in accordance with:

(a) the Corporations Act 2001, including:

- (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2005 and of their performance for the year ended on that date; and
- (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001;

(b) other mandatory financial reporting requirements in Australia

Dated this 28th day of September 2005
First Floor
25 Bolton Street
NEWCASTLE


CUTCHER & NEALE
CHARTERED ACCOUNTANTS
M. J. O'Connor CA
Partner

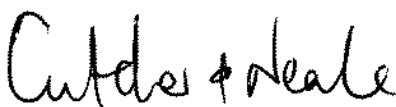


**AUDITORS INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
BELMONT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES**

I declare that to the best of my knowledge and belief, during the year ended 30 June 2005 there have been:

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

Dated this 28th day of September 2005
First Floor
25 Bolton Street
NEWCASTLE


CUTCHER & NEALE
CHARTERED ACCOUNTANTS

M. J. O'Connor CA
Partner

Belmont Holdings Limited

Additional Information - Australian Stock Exchange Limited



Distribution of Equity Securities as at 13 September 2005

242 Shareholders held Ordinary Shares

The number of holders in the following categories are:-

1 - 1,000	106
1,001 - 5,000	87
5,001 - 10,000	13
10,001 - 100,000	32
100,001 and over	4
	242

There were 44 shareholders with a non-marketable parcels of shares.

Substantial Shareholders - 13 September 2005

Shares in which a relevant interest could be held

P.E.J.Murray	1,065,245
V.J.Plummer	508,950

Twenty Largest Shareholders as at 13 September 2005

The names of the 20 largest shareholders are:-

Name	Number
P.E.J. Murray	799,968
V.J. Plummer	528,950
Capel Court Corporation Pty Limited	285,777
Embankment Nominees Pty Limited	145,197
Ledingham Nominees Pty Limited	107,600
J.C. Plummer	51,000
Zoom Zoom Pty Limited	50,090
D. Murray	49,840
V.J. Moore	36,900
C.D. Murphy	33,600
Saddington's Holdings Pty Limited	28,428
G.C. Murphy	26,392
H.C. Eckford	24,301
Symspur Pty Limited	21,277
R.W.Jarvie	21,052
C.D. Amor	20,987
G.H. Amor	20,987
M.C. Eckford	20,000
P.H. Eckford	20,000
J.J. Eckford	20,000
	2,312,346
Percentage of capital held by top twenty:	79.56%

Voting

Voting Rights are one vote per share held.

Service Agreements

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

Belmont Holdings Limited

ABN 65 000 144 561

Proxy Form



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

I/We..... of
..... hereby appoint
..... of

..... or in the event that no person is nominated above, the Chairman of the Meeting, as my/our proxy to vote for me/us at the Annual General Meeting of the company to be held on Tuesday 15 November 2005 at 11.30 am and at any adjournment thereof.

****This proxy is to represent (proportion)of my/our voting rights. (** Please complete if more than one proxy is being appointed, otherwise delete).**

This proxy is to be used to vote for or against the resolutions and unless instructed the proxy may vote as the person thinks fit. (Please tick as required).

Ordinary Resolutions

	For	Against	Abstain
To approve the payment of a final 11 cent per share dividend for 2005.	☐	☐	☐
To adopt the Remuneration Report.	☐	☐	☐
To elect Mr. P.E.J.Murray a Director of the Company.	☐	☐	☐
To elect Mr. J.C Plummer a Director of the Company.	☐	☐	☐

If you do not wish to direct your proxy how to vote, please place a mark in this box .
By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as a proxy holder will be disregarded because of that interest. Where the proxy is undirected the Chairman intends to vote for the Resolution.

Signed by the said

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

Dated thisday of , 2005.

Note:

Where the member is a natural person this proxy must be signed by the member personally or by a duly appointed attorney. Where the member is a corporation this proxy must be executed under the common seal of the corporation or signed by an attorney duly appointed under the common seal of the corporation.