Belmont Holdings Limited

ABN 65 000 144 561

Annual Report

2009

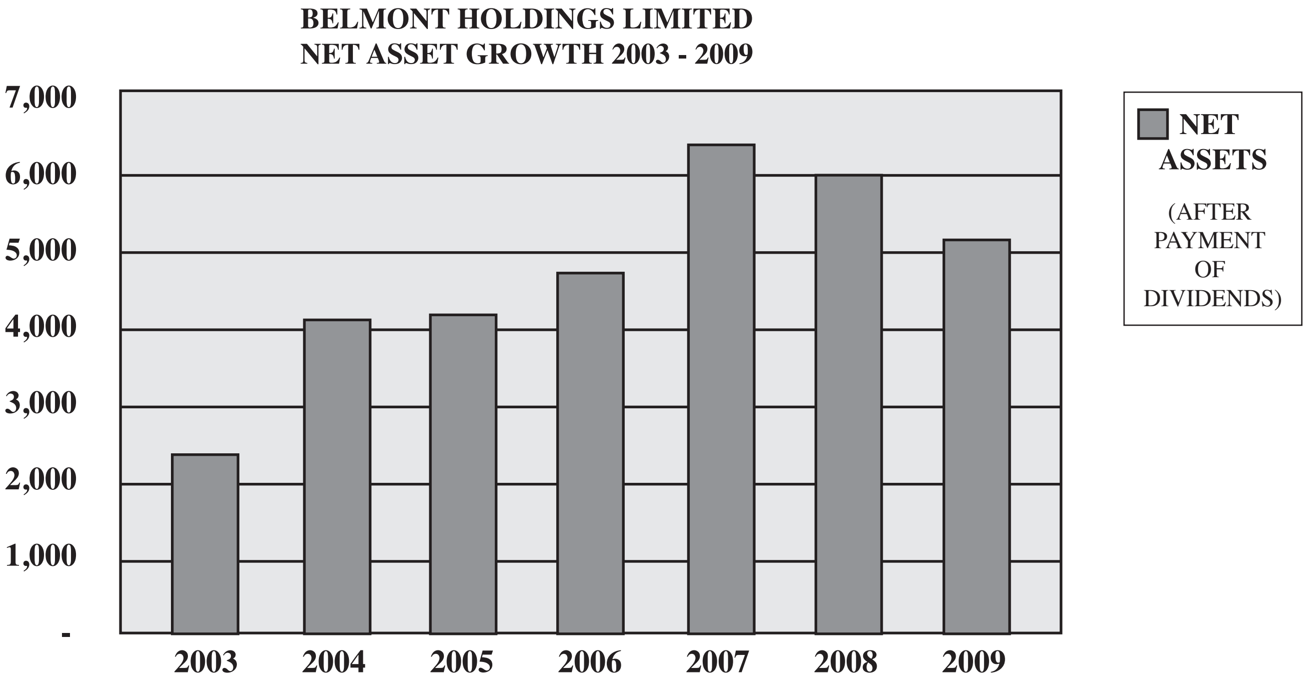
Imperial Pacific Asset Management Pty Limited

Incorporated in 1937 - 100% owned

MAINSTREAMBPO
SPECIALISTS IN BUSINESS PROCESS OUTSOURCING

<20% via Convertible Notes>

LISTED ON AUSTRALIAN STOCK EXCHANGE


BELMONT HOLDINGS LIMITED
NET ASSET GROWTH 2003 - 2009
7,000
6,000
5,000
4,000
3,000
2,000
1,000
-
2003
2004
2005
2006
2007
2008
2009
NET ASSETS
(AFTER PAYMENT OF DIVIDENDS)

Belmont Holdings Limited

ABN 65 000 144 561

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Shareholders of Belmont Holdings Limited will be held at Level 8, 32 Walker Street, North Sydney on Friday 30 October 2009 at 11.30 am.

Ordinary Business

1. To receive, consider and discuss the Directors' Report and Accounts for the year ended 30 June 2009 and note no dividend for 2009.

2. To adopt the Remuneration Report for the year ended 30 June 2009 as disclosed in the Directors Report. (Note: The vote on this resolution is advisory only and does not bind the Directors.)

3. To elect a Director. In accordance with the Constitution Mr.P.E.J.Murray retires by rotation, and being eligible, offers himself for re-election. (Details of Mr Murray are shown later.)

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

By Order of the Board

Robert G. Pettener
Company Secretary Sydney, 3 September 2009

PROXIES

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

Belmont Holdings Limited

Key Features for 2008/2009

- **Modest positive result**
- **Avoidance of turmoil in financial markets**
- **Treading water, positioning for recovery in economic conditions**
- **Extensive corporate research undertaken**
- **One cornerstone investment made by key investment and managed entity, London City Equities**

Corporate Directory

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

Belmont Holdings Limited

Chairman's Review of 2009

The Year - Our Strategy
Recognising the difficult economic, financial and stock-market conditions confronting us last year our main objective was to stay calm and collected. We then planned to move as we perceived "green economic shoots" and some attractive long term investment opportunities appearing for our clients. This approach has paid off and Belmont has remained profitable, albeit just positive. Our associate, London City Equities Limited, has invested some of its cash in long term equities.

Results – Modest
Belmont's results were modest with a profit of $5,000 which followed last year's $48,000 and the previous year's record of $2,372,000. This follows our history of kicking major goals only every four or so years – mainly because of our small size. Following recent years of solid dividends, the Directors have decided to retain funds on this occasion and not pay a dividend for 2009.

Net Assets – $5.1 million, or $1.77 per share
The net assets fell slightly during the year, mainly as a result of London City's fall in the value of its strategic stake in Penrice Soda Holdings and Belmont's payment of 12.5 cents dividend in late 2008.

Finance- OK
Belmont has no formal debt and presently has adequate resources for its current business.

Investment
27.5% owned **London City Equities Limited** reported a satisfactory profit of $238,000 after tax and the purchase of a 9% cornerstone long term investment in Penrice Soda Holdings Limited. On the other hand, Belmont's investment in the Convertible Loan Notes of **MainstreamBPO Pty Limited** has been disappointing and contrary to expectations given to us in 2006 and 2007. MainstreamBPO has only recently reached break-even after three years of establishment outlays. It is not paying interest due on the Belmont debt. As previously advised, I was on that Board for some 12 months, but resigned in late 2008, citing various areas of incompatibility. We understand that MainstreamBPO's management is forecasting a much better year for 2010.

With the downturn in the financial markets over the last eighteen months Belmont has examined the scope to acquire or merge with other financial services providers of a similar size. So far these efforts have come to nothing, mainly because of losses being incurred by those companies and the likelihood that their own investment record has suffered permanent damage, thereby making it hard to retain client monies. Effectively, we think we are better off looking at alternative growth opportunities.

Outlook
While the Board was cautious about the economic outlook last year, it is quietly confident that we have seen the bottom of the market. We expect world economic conditions will be more positive going ahead – but not jump to the exuberance of 2006 and 2007. We now see good investment opportunities, especially in companies we have followed for years. Imperial Pacific's positive management of London City's portfolio should continue, given London City's current high liquidity and more investment opportunities becoming available.

On behalf of the Board

P. E. J. Murray
Chairman of Directors

3 September 2009

Statutory Directors' Report for the Year to 30 June 2009

Your Directors present their report on the Company and its controlled entities for the year ended 30 June 2009.

Strategic Positioning

Belmont Holdings key objective is to maintain a group of entities which provide productive services to the financial sector. In addition to participating in equity ownership, Belmont offers traditional and innovative management and financial assistance to those entities in which it has an interest, such as London City Equities (27.5% owned) and MainstreamBPO Pty Limited (possible 20% owned). Belmont undertakes this specific and short term financial services focus, rather than operate as a longer term strategic equity holder in the broader investment sector such as London City Equities Limited. Belmont is risk averse. It can be assertive when required.

Directors and Officers

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

Peter E.J. Murray - Chairman of Directors.
Chartered Accountant, Member Securities & Derivatives Industry Association and of Turnaround Management Association of Australia.

Mr Murray has spent over 30 years involved in company management, corporate finance and ASX listed company matters. He has been a senior executive in merchant banking and stockbroking at Director level. Experienced in corporate financial advice, mergers, fund raisings and general corporate management. Chairman of Belmont Holdings Limited since 1980. Past Chairman of Directors of Camelot Resources NL and CCI Holdings Limited (2004 to 2007). Director and Chief Operating Officer of London City Equities Limited.

John C Plummer - Non-Executive Director.
Special Responsibility: Chairman, Audit, Compliance and Risk Management Committee and Chairman of Remuneration Committee
Bachelor of Commerce; Master of Business Administration.

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

Robin Chenery - Non Executive Director.
Special Responsibility: Member of Audit, Compliance and Risk Management Committee and Member of Remuneration Committee
Bachelor of Science (Honours), Master of Business Administration

Mr Chenery's initial background was in manufacturing management. He has in excess of 35 years extensive Australian and international experience in the steel and coal industries. He has also held a significant number of Board positions throughout his career. Until 2007 was a Director of CCI Holdings Limited and currently a Director of London City Equities Limited since 2007.

Statutory Directors Report (Cont'd)

Directors and Officers (Cont'd)

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

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

Particulars of Directors Interests in Shares in the Company are:

	Ordinary Shares
PEJ Murray	1,142,994
JC Plummer	578,790
R Chenery	1,000

During the financial year the following formal meetings were held:

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

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

Remuneration Report

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

:

	Fees	Super Contributions	Total
Mr P.E.J.Murray	$153,636	-	$153,636
Mr. J.C.Plummer	$25,000	$2,250	$27,250
Mr R Chenery	$25,000		$25,000

Principal Activities

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

Statutory Directors Report (Cont'd)

Trading Results and Dividend Status

Belmont reports a modest consolidated profit for the year of $5,000 (profit of $48,000 in 2008). The Directors have not declared the payment of a dividend for 2009 because of low retained earnings and the need to conserve funds in this period. In late 2008 a 12.5 cents per share fully franked dividend was paid to shareholders.

Objectives, Achievements and Review of Operations

The Board’s prime objective during the year was the protection of group assets against very difficult global conditions and the enhancement of the portfolio funds of London City (securing a 9% cornerstone investment by London City in South Australian based Penrice Soda Holdings Limited). These objectives were met.

The Directors also examined the unit trust management sector to see whether there is scope for an active involvement by our AFS licensed subsidiary, Imperial Pacific Asset Management Pty Limited. A number of parties were examined, especially some whose share prices had fallen significantly. The present view is that it would be more viable to establish a new fund for professionals rather than inherit a client base suffering from poor performance.

Belmont’s investment in $1,925,000 of 31 December 2011 unsecured convertible loan notes in MainstreamBPO, a Sydney based fund management administration business with superannuation administration activities in Melbourne has been problematic. Mr Murray joined MainstreamBPO’s Board in late November 2007 but resigned in December 2008, citing certain incompatibilities. Belmont’s loan arrangements provide for interest to be paid as from 1 November 2008. To date no such interest has been paid, MainstreamBPO submitting that another financier, Investec Bank Australia is restricting payment through its loan covenants. Belmont is taking legal advice on the situation.

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

Environmental regulation

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

Future developments

Directors plan to continue to focus on enhancing the values of Belmont’s assets, particularly its AFS licensed operator Imperial Pacific Asset Management Pty Limited. Attention will also be given to the group’s part ownership and portfolio management of London City’s portfolio. Funds invested in MainstreamBPO continue to be reviewed.

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

Matters subsequent to 30 June 2009

Directors have not declared the payment of a dividend for 2009.

Statutory Directors Report (Cont'd)

Proceedings in relation to the company
No person has applied to the Court under Section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company.

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

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

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

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

Non-audit Services.
Details of the non-audit services provided by the auditor are set out at Note 20 of the financial statements. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided means the auditor independence was not compromised.

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

Signed in accordance with a resolution of the Directors. Dated at Sydney this 2nd day of September, 2009.

On behalf of the Board,

P. E. J. MURRAY

J. C. PLUMMER

Corporate Governance Matters - 2009

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

Principle 1 Lay solid foundations for management and oversight

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

Principle 2 Structure the Board to add value

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

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

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

Principle 3 Promote ethical and responsible decision-making

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

Corporate Governance (Continued)

A summary of terms of the Code of Conduct follows:

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

PERSONAL BEHAVIOUR AND ACCOUNTABILITY

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

SECURITY AND CONFIDENTIALITY

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

MANAGEMENT OF PRIVATE INTERESTS

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

COSTS TO THE CORPORATION

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

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

Principle 4 Safeguard integrity in financial reporting

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

Principle 5 Make timely and balanced disclosure

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

Corporate Governance (Continued)

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

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

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

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

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

Principle 6 Respect the rights of shareholders

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

Principle 7 Recognise and manage risk

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

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

Corporate Governance (Continued)

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

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

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

Internal Matters (Own resources)

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

Other Matters (External Factors)

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

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

Principle 8 Remunerate fairly and responsibly

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

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

Income Statement
for the year ended 30 June 2009

	Notes	Consolidated 2009 $	Consolidated 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Revenue from ordinary activities	3	241,781	173,733	251,124	602,855
Less:					
Depreciation expenses	4	(550)	(824)	-	-
Other expenses from ordinary activities	4	(301,927)	(292,457)	(297,087)	(286,530)
Share of net profit of associate accounted for using the equity accounting method	3	65,422	175,915	-	-
Profit from ordinary activities before income tax		4,726	56,367	(45,963)	316,325
Income tax expense	5	706	(8,262)	706	(8,262)
Net profit attributable to members of Belmont Holdings Limited		**5,432**	**48,105**	**(45,257)**	**308,063**

Earnings per share:

	Notes	Consolidated 2009	Consolidated 2008
Earnings per share from profit from continuing operations attributable to the ordinary equity holders of the company.			
Basic earnings per share (Cents)	31	0.19	1.66
Diluted earnings per share (Cents)	31	0.19	1.66

The accompanying notes form part of these financial statements.

Balance Sheet
as at 30 June 2009

	Notes	Consolidated 2009 $	Consolidated 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Current assets					
Cash and cash equivalents	6	14,339	368,136	4,180	298,700
Receivables	7	91,684	29,340	3,780,202	3,701,321
Current Tax Asset	8	-	-	-	-
Total current assets		**106,023**	**397,476**	**3,784,382**	**4,000,021**
Non-current assets					
Financial Assets - Available-for - Sale	9	5,181,743	5,584,207	7,244,376	7,670,252
Property, plant and equipment	10	1,638	2,368	-	-
Total non-current assets		**5,183,381**	**5,586,575**	**7,244,376**	**7,670,252**
Total assets		**5,289,404**	**5,984,051**	**11,028,758**	**11,670,273**
Current liabilities					
Trade and other payables	11	156,646	25,067	6,242,851	5,990,263
Tax liabilities	12	-	-	-	-
Total current liabilities		**156,646**	**25,067**	**6,242,851**	**5,990,263**
Non-current liabilities					
Deferred Tax liabilities - Investment Portfolio	13	-	464	350,946	496,606
Total Non-current liabilities		**-**	**464**	**350,946**	**496,606**
Total liabilities		156,646	25,531	6,593,797	6,486,869
Net assets		**5,132,758**	**5,958,520**	**4,434,961**	**5,183,404**
Equity					
Issued Capital	14	1,560,970	1,560,970	1,560,970	1,560,970
Reserves	16	4,363,628	4,831,509	3,161,149	3,501,022
Retained Profits (Accumulated losses)	16	(791,840)	(433,959)	(287,158)	121,412
Total equity	17	**5,132,758**	**5,958,520**	**4,434,961**	**5,183,404**

The accompanying notes form part of these financial statements.

Statement of Changes in Equity
for the Year Ended 30 June 2009

	Notes	Consolidated 2009 $	Consolidated 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Total Equity at the beginning of the year		**5,958,520**	**6,313,701**	**5,183,404**	**5,479,782**
Transactions with Equity holders in their capacity as equity holders:					
Dividends provided or paid		(363,313)	(363,313)	(363,313)	(363,313)
Total transactions with Equity holders in their capacity as equity holders:		**(363,313)**	**(363,313)**	**(363,313)**	**(363,313)**
Income and Expense for Year:					
Profit for Year		5,432	48,105	(45,257)	308,063
Revaluation of Investment Portfolio		(562,472)	105,630	1,169,820	1,655,353
Provision for Tax on unrealised gains		168,532	(31,689)	(350,946)	(496,606)
Less:					
- Reversal of Revaluation Last Year		(105,630)	(162,645)	(1,655,353)	(1,999,822)
- Reversal of Tax Provision Last Year		31,689	48,731	496,606	599,947
Total recognised income (including unrealised gains) and expenses for the Year		(462,449)	8,132	(385,130)	66,935
Total Equity at the end of the year	17	**5,132,758**	**5,958,520**	**4,434,961**	**5,183,404**

The accompanying notes form part of these financial statements.

Cash Flow Statement
for the year ended 30 June 2009

	Notes	Consolidated 2009 $	Consolidated 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Cash flows from operating activities					
Receipts from Customers (inclusive of goods and services tax)		231,113	715,388	-	-
Cash paid to suppliers and management (inclusive of goods and services tax)		(231,392)	(286,073)	(201,983)	(276,146)
Interest Received		8,963	43,497	6,400	40,070
Dividends Received			260	-	260
Unit Trust Distributions			-		-
Income Tax Refunded (Paid)		706	(162,187)	706	(162,187)
Net Cash provided by (used in) operating activities	30	**9,390**	**310,885**	**(194,877)**	**(398,003)**
Cash flows from investing activities					
Purchase of investments		(25,458)	(200,855)	(25,458)	(200,855)
Proceeds from sale of investments		24,547	549,729	24,547	549,729
Purchase of Equipment		-	-	-	-
Payments for Bank Bills		-	-	-	-
Proceeds from Bank Bills		-	-	-	-
Net Cash provided by (used in) investing activities		**(911)**	**348,874**	**(911)**	**348,874**
Cash flows from financing activities					
Payments to a related company		(6,463)	(53,872)	(15,532)	(53,872)
Payments from a related company		-	-	272,613	705,388
Proceeds from Borrowings		7,500	-	7,500	-
Repayments of Borrowings		-	29,985	-	29,985
Dividends Paid		(363,313)	(363,313)	(363,313)	(363,313)
Net Cash used in financing activities		**(362,276)**	**(387,200)**	**(98,732)**	**318,188**
Net increase (decrease) in cash held		(353,797)	272,559	(294,520)	269,059
Cash at beginning of the financial year		368,136	95,577	298,700	29,641
Cash at end of the financial year	6	**14,339**	**368,136**	**4,180**	**298,700**

The accompanying notes form part of these financial statements.

Note 1: Summary of significant accounting policies

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

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

(a) Basis of Accounting

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

(b) Principles of Consolidation

A controlled entity is any entity controlled by Belmont Holdings Limited. Control exists where Belmont Holdings Limited has the capacity to dominate the decision-making in relation to the financial and operating policies of another entity so that the other entity operates with Belmont Holdings Limited to achieve the objectives of Belmont Holdings Limited. A list of controlled entities is contained in Note 25 to the financial statements. All inter-company balances and transactions between entities in the economic entity, including including any unrealised profits or losses have been eliminated on consolidation.
Where controlled entities have entered or left the economic entity during the year, their operating results have been included from the date control was obtained or until the date control ceased.
The accounts of 27.5% owned London City Equities Limited are included by adopting the equity method of accounting (equity accounted as a 27.2% owned entity in 2008).

(c) Investments: Controlled Entities & Associates

The investments in subsidiary companies are carried at their cost of acquisition less any provision for impairment. Dividends are brought to account in the profit and loss account when they are credited or paid by the controlled entity.
London City Equities Limited is not recognised as a controlled entity because it is a company over which the group is not able to exercise control despite its 27.5% equity ownership, as two other shareholders control 46.3%. It is an associated company.
Investments in associated companies are recognised in the financial statements by applying the equity method of accounting.

(d) Income Tax Expense

The income tax expense or credit for the period is the tax payable on the current period's taxable income adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the asset bases of assets and liabilities and their carrying amounts in the financial statements and to unused tax losses. Deferred tax assets and liabilities are offset as all current and deferred taxes relate to the Australian Taxation Office and can legally be settled on a net basis.
A tax provision is made for the unrealised gain or loss on held - for - trading securities valued at market value through the Income Statement.
Where non-current available - for - sale securities are adjusted for unrealised gains or losses at balance date in the Unrealised Revaluation Reserve an assessed deferred tax liability or asset is created to reflect the applicable tax, even though there may be no intention to dispose of those holdings. The tax sum is applied to the Unrealised Revaluation Reserve on one hand and the deferred tax liability or asset on the other.
Where the company might dispose of such securities, tax is calculated on gains made according to the particular parcels allocated to the sale for tax purposes offset against any capital losses carried forward.
Belmont Holdings Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the Tax Consolidation Regime. Belmont Holdings Limited is responsible for recognising the current and deferred tax assets and liabilities for the tax consolidated group.
The tax consolidated group has entered a tax sharing agreement whereby each company in the group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the consolidated group.

(e) Investments

The Company has two discrete types of investments. They are Held-for-trading Financial Assets (Current Assets) and Available-for-sale Financial Assets (Non-Current Assets).

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

Gains on Available-for-Sale investments are recognised as a separate component of equity until the investment is sold, collected or otherwise disposed of.

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

(f) Non-Current Assets

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

(g) Derivatives

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

(h) Employee Entitlements

The company has no employees.

(i) Cash and cash equivalents

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

(j) Impairment of Assets

When the market value of a stock that is held in the investment portfolio is below its cost, it is reviewed for impairment. *AASB 139 - Financial Instruments : Recognition and Measurement* states that impairment has occurred if there has been a 'loss event or events' that have an impact on the future cash flows of the financial asset that can be reliably estimated.

When 'impairment' is held to have occurred, the amount of the loss that has been taken through the Revaluation Reserve is reversed and instead is taken through the Income Statement. Any subsequent increase in the market value of a stock thus impaired does not go through the Income Statement however, but will be accounted for through the Revaluation Reserve whilst any further decrease will continue to be accounted for through the Income Statement.

The company regularly reviews the stocks in the Investment Portfolio, and where it believes that such an event has occurred or is likely to occur, will seek to exit the position. Should that position not be exited by the balance sheet date, an impairment charge may be taken to the Income Statement as described above.

The Company is a long-term investor and does not regard short-term cyclical movements in the share-price of its investments as evidence of impairment. However, the relevant Accounting Standard also states that a "significant or prolonged decline in the fair value of an investment in an equity instrument below its cost is also objective evidence of impairment." The company's approach to this is subject to other evidence to the contrary and judgement. An investment is impaired if it has been below its accounting cost for a minimum of 15 months or if the fair value of the investment is more than 35% below its accounting cost.

Shareholders should note that all investments are continuously marked-to-market. Any impairment charge taken on investments that are not disposed of by the Company therefore has no impact on the Net Tangible Assets or the Shareholders' equity.

(k) Financial Risk issues

The economic entity has in place risk management controls supervised by the Board and the Audit, Compliance and Risk Management Committee. Risk issues are explained further in Note 18 of the financial statements.

(l) Goods and Services Tax

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

(m) Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.
Dividend revenue is recognised when the right to receive a dividend has been established. Revenues from the rendering of a service is recognised upon delivery of the service.
Management revenue is recognised on an accruals basis.

(n) Financial Statements Approval

The financial statements were authorised for issue by the Board of Directors on 14 August 2009.

Note 2. Segmental information

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

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

Note 2. Segmental information (Cont'd)

During 2007/08 the economic entity acted mainly in the investment and financial services sectors in Australia.

2008	Investment	Financial Services	Consolidated
Revenue	$	$	$
Investment /other revenue	43,413	130,320	173,733
Segment Result			
Profit after Tax	123,082	(74,977)	48,105
Segment Assets	5,797,616	186,435	5,984,051
Segment Liabilities	(7,984)	(17,547)	(25,531)
Other:			
Acquisition of Plant	-	-	-
Depreciation	-	(824)	(824)
Net cash inflow from operating activities	(90,721)	401,606	310,885
Share of net profits of equity accounted associates	175,915	-	175,915
Carrying amount of investment in Associates accounting for using the equity accounting method	3,632,662	-	3,632,662

Note 3. Revenue

	Consolidated 2009	Consolidated 2008	Parent Entity 2009	Parent Entity 2008
	$	$	$	$
From continuing operations				
Dividend revenue from:				
- associated companies	-	-	59,199	112,869
- subsidiary companies	-	-	-	350,000
Interest	83,577	43,413	81,012	39,986
Management Fees Received:				
- Base Management Fee	122,291	130,320	100,000	100,000
- Performance Fee	-	-	-	-
Profit on Sale of Investments	-	-	-	-
Other	35,913	-	10,913	-
Total Revenue	241,781	173,733	251,124	602,855
Share of net profit of associate accounted	65,422	175,915		

Note 4. Profit from ordinary activities

Net gains and expenses

Profit from ordinary activities before income tax has been determined after:

	Consolidated 2009	Consolidated 2008	Parent Entity 2009	Parent Entity 2008
(a) Expenses				
Auditors Fees (Note 21)	(21,700)	(18,900)	(20,500)	(18,100)
Depreciation - plant and equipment	(550)	(824)	-	-
Directors fees	(50,000)	(48,511)	(50,000)	(44,705)
Directors superannuation	(2,250)	(2,430)	(2,250)	(2,430)
Loss on Sale of Shares	(452)	-	(452)	-
Professional fees - director related	(153,636)	(152,000)	(153,636)	(152,000)
Rental expense on operating leases	(15,988)	(12,443)	(15,988)	(12,443)
Other Expenses	(57,901)	(58,173)	(54,261)	(56,852)
Total Operating Expenses	(302,477)	(293,281)	(297,087)	(286,530)
Net Operating Gain (Loss)	4,726	56,367	(45,963)	316,325

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

	Consolidated 2009	Consolidated 2008	Parent Entity 2009	Parent Entity 2008
(b) Revenue and net gains				
Management fee - associated company - Base fee	122,291	130,320	-	-
Management fee - subsidiary company	-	-	100,000	100,000
(c) Individually Significant Items included above				
Management Fee Income - Performance Component - associated company	-	-	-	-

Note 5. Income Tax Expense

	Consolidated 2009	Consolidated 2008	Parent Entity 2009	Parent Entity 2008
(a) The components of income tax expense comprise:				
Current Tax	-	-	-	-
Under/(Over) provision in respect of prior years	706	(8,262)	706	(8,262)
	706	(8,262)	706	(8,262)
(b) The income tax expense for the financial year differs from the amount calculated on the profit. The differences are reconciled as follows:				
Profit from ordinary activities before income tax expense	4,726	56,367	(45,963)	316,325
Income tax calculated at 30%	1,418	16,910	(13,789)	94,898
Less: Tax Effect of :				
- Rebatable fully franked dividends	(712)	(25,172)	25,371	(48,372)
- Underlying tax attributable to associated entity	-	-	(10,876)	(54,787)
Income tax expense (benefit)	706	(8,262)	706	(8,262)
(c) Amounts recognised directly in equity:				
Decrease (Increase) in deferred tax liabilities relating to capital gains gains tax on the increase in unrealised gains in the investment portfolio	200,221	17,042	145,660	103,341

Note 6. Cash and Cash Equivalents

	Consolidated 2009	Consolidated 2008	Parent Entity 2009	Parent Entity 2008
Cash at Bank and on Hand	14,339	368,136	4,180	298,700
	14,339	368,136	4,180	298,700

Note 7. Current assets - Receivables

	Consolidated 2009	Consolidated 2008	Parent Entity 2009	Parent Entity 2008
Other Debtors	89,815	160	88,193	160
Amounts receivable from:				
Wholly owned subsidiaries	-	-	3,690,140	3,700,140
Associated Company	1,869	29,180	1,869	1,021
	91,684	29,340	3,780,202	3,701,321

Note 8. Current assets - Tax

	Consolidated 2009	Consolidated 2008	Parent Entity 2009	Parent Entity 2008
Current Tax Asset	-	-	-	-
	-	-	-	-

Note 9. Non current assets - Financial Assets - Available for sale

	Consolidated 2009	Consolidated 2008	Parent Entity 2009	Parent Entity 2008
Listed investments				
Shares in associated corporations - at Market Value	-	-	2,619,376	3,018,707
Shares in associated corporations - at fair value	3,256,743	3,632,662	-	-
	3,256,743	3,632,662	2,619,376	3,018,707
Unlisted investments				
Unit Trust Investments - at market value	-	26,545	-	26,545
Convertible Notes - 31 December 2011 - at fair value (cost)	1,925,000	1,925,000	1,925,000	1,925,000
Shares in Controlled Corporations - at fair value	-	-	2,700,000	2,700,000
	1,925,000	1,951,545	4,625,000	4,651,545
	5,181,743	5,584,207	7,244,376	7,670,252

Note: Non-traded investments in shares in corporations have been written down to their assessed amount, taking into account either the underlying net tangible asset backing or, in the case of Imperial Pacific Asset Management Pty Limited, its earnings ability. These are long term investments and the values are considered appropriate.

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

	Consolidated 2009	Consolidated 2008
Plant and Equipment		
Plant and Equipment - at cost	11,229	14,023
Less: Accumulated Depreciation	(9,591)	(11,655)
	1,638	2,368
Total Plant & Equipment	1,638	2,368
Total Property, Plant & Equipment	1,638	2,368

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 2008	2,368	2,368
Purchases of new Office Equipment	-	0
Items Scrapped	(180)	(180)
Depreciation expense	(550)	(550)
Carrying amount at 30 June 2009	1,638	1,638

Note 11. Current Liabilities - Payables

	Consolidated 2009	Consolidated 2008	Parent Entity 2009	Parent Entity 2008
Wholly owned subsidiaries	-	-	6,130,801	5,966,962
Associated Entity	42,630	-	-	-
Directors or their Director Related Entities	57,383	847	57,383	847
Other Creditors	56,633	24,220	54,667	22,454
	156,646	25,067	6,242,851	5,990,263

Note 12. Current Liabilities - Tax Liabilities

	Consolidated 2009	Consolidated 2008	Parent Entity 2009	Parent Entity 2008
Income Tax	-	-	-	-
	-	-	-	-

Note 13. Non-Current Liabilities - Deferred Tax Liabilities

	Consolidated 2009	Consolidated 2008	Parent Entity 2009	Parent Entity 2008
Deferred Tax Liabilities - Investment Portfolio	-	464	350,946	496,606
	-	464	350,946	496,606

Note 14. Contributed equity

(a) Share capital

2,906,504 (2008: 2,906,504) fully paid ordinary shares	1,560,970	1,560,970

(b) Movement in ordinary share capital:

Balance at beginning of accounting period	1,560,970	1,560,970
Movements during the year	-	-
Balance at reporting date	1,560,970	1,560,970

(c) Movement in ordinary share numbers:

Balance at beginning of accounting period	2,906,504	2,906,504
Movements during the year	-	-
Balance at reporting date	2,906,504	2,906,504

(d) Ordinary Shares

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

Note 15. Capital Management

The Company's objective in managing capital is to continue to provide shareholders with attractive investment returns through access to a steady stream of fully-franked dividends and enhancement of capital invested, with goals of paying dividends which over time grow faster than the rate of inflation and providing attractive total returns over the medium to long term.

The company recognises that its capital will fluctuate in accordance with market conditions, and may adjust the amount of dividends paid, issue new shares from time to time or buy-back its own shares or sell assets to reduce debt.

Note 16. Reserves and retained profits

	Consolidated		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$
(a) Reserves - as per below				
Realised Capital Gains Reserve	4,757,568	4,757,568	-	-
Unrealised Revaluation Reserve	(393,940)	73,941	3,161,149	3,501,022
	4,363,628	4,831,509	3,161,149	3,501,022
Realised Capital Gains Reserve				
Balance at 1 July 2008	4,757,568	4,757,568	-	-
Balance at 30 June 2009	4,757,568	4,757,568	-	-
Unrealised Revaluation Reserve				
Balance at 1 July 2008	73,941	113,914	3,501,022	3,742,150
Add Back Previous Revaluation of Portfolio	(105,630)	(162,645)	(1,655,353)	(1,999,822)
Add Back previous Provision for Tax	31,689	48,731	496,606	599,947
Revaluation of Investment Portfolio	(562,472)	105,630	1,169,820	1,655,353
Less Provision for Tax on Unrealised Gains	168,532	(31,689)	(350,946)	(496,606)
Balance at 30 June 2009	(393,940)	73,941	3,161,149	3,501,022
(b) Retained Profits / (Accumulated losses)				
Retained Earnings (accumulated losses) - beginning of the financial year	(433,959)	(118,751)	121,412	176,662
Net gain (loss) loss attributable to members of Belmont Holdings Limited	5,432	48,105	(45,257)	308,063
Dividends paid	(363,313)	(363,313)	(363,313)	(363,313)
Balance at 30 June 2009	(791,840)	(433,959)	(287,158)	121,412

Note 16. Reserves and retained profits (Cont'

	Consolidated 2009	Consolidated 2008	Parent Entity 2009	Parent Entity 2008
(c) Nature and purpose of reserves	$	$	$	$

Realised Capital Gains Reserve

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

Unrealised Revaluation Reserve

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

Note 17. Movements in Equity

	Consolidated 2009	Consolidated 2008	Parent Entity 2009	Parent Entity 2008
Total equity at the beginning of the financial year	5,958,520	6,313,701	5,183,404	5,479,782
Total changes in equity recognised in the income statement	5,432	48,105	(45,257)	308,063
Revaluation of Investment Portfolio (Net)	(668,102)	(57,015)	(485,533)	(344,469)
Less Provision for Tax on Unrealised Gains (Net)	200,221	17,042	145,660	103,341
Less Dividend Paid during Year	(363,313)	(363,313)	(363,313)	(363,313)
Total equity at the end of the financial year	5,132,758	5,958,520	4,434,961	5,183,404

Note 18. Dividends

(a) Dividends Payable

		Consolidated 2009	Consolidated 2008	Parent Entity 2009	Parent Entity 2008
Dividend paid - Fully Franked	17 October 2008	363,313	363,313	363,313	363,313
Dividend proposed - Fully Franked	na	Nil	363,313	Nil	363,313

(b) Franking credits

	Consolidated 2009	Consolidated 2008	Parent Entity 2009	Parent Entity 2008
Franking credit tax component available for dividends in future years	629,766	760,807	619,480	750,521
Fully franked dividends possible at tax rate of 30%	1,469,454	1,775,216	1,445,453	1,751,216

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

Note 19. Financial instruments and risk

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

The net fair value of cash and cash equivalents and non-interest bearing monetary assets and financial liabilities of the company approximates their carrying value. The net fair value of other monetary financial assets and financial liabilities is based upon market prices where a market exists or by discounting the expected future cash flows by the current interest rate for assets and liabilities with similar risk profiles. Equity investments traded on organised markets have been valued by reference to the last sale price at balance date. For non-traded equity investments the net fair value is an assessment by the directors based on the underlying net assets, future maintainable earnings and any special circumstances pertaining to a particular investment. In the case of the.31 Dec 2011 unlisted convertible loan note investment in Mainstream BPO Pty Limited fair value takes into account the debt status of the investment, its considered future potential in the form of equity and the perceived economic performance of the company leading to 31 December 2011.

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

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

On-balance sheet financial instruments	2009 Carrying Amount $	2009 Net Fair Value $	2008 Carrying Amount $	2008 Net Fair Value $
Financial assets				
Cash	14,339	14,339	4,180	4,180
Receivables	91,684	91,684	29,340	29,340
Other Investments	1,925,000	1,925,000	1,951,545	1,951,545
Non-traded financial assets	2,031,023	2,031,023	1,985,065	1,985,065
Traded investments - non current	3,256,743	3,256,743	3,632,663	3,632,663
	5,287,766	5,287,766	5,617,728	5,617,728

Financial liabilities	Carrying Amount	Net Fair Value	Carrying Amount	Net Fair Value
Other creditors	156,646	156,646	25,067	25,067
Non-traded financial liabilities	156,646	156,646	25,067	25,067

Other than those classes of assets and liabilities denoted as "traded", none of the classes of financial assets and liabilities are readily traded on organised markets in standardised form.
Net fair value is exclusive of costs which would be incurred on realisation of an asset, and inclusive of costs which would be incurred on settlement of a liability. Financial assets where the carrying amount exceeds net fair values have not been written down as they represent the investment in an associated company which the economic entity intends to hold as a long term investment.

B. Risk Considerations - Main factors

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

(a) Market Risk

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

(a) (i) Price Risk

The Group is exposed to price risk in relation to equities securities and convertible loan notes. These arises from the following:
- Investments held by the Group and classified on the balance sheet as either held-for-trading or available-for-sale; and
- Exposure to adverse movements in equity prices which may have negative flow-on effects to the revenue derived from the management of clients' investment portfolios.
- Investment in 31 December 2011 unsecured convertible loan notes in MainstreamBPO Pty Limited.

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

Price Risk Sensitivity Analysis:

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

	-- Consolidated 2009 --- 10.0% increase in market prices $	-- Consolidated 2009 --- 10.0% decrease in market prices $	-- Consolidated 2008 --- 10.0% increase in market prices $	-- Consolidated 2008 --- 10.0% decrease in market prices $
Impact on Profit (Pre tax)	11,107	(11,107)	15,922	(15,922)
Impact on Equity (Pre tax)	325,674	(325,674)	363,266	(363,266)

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

(a) (ii) Interest Rate Risk

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

Interest Rate Risk Sensitivity Analysis:

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

	-- Consolidated 2009 ---		-- Consolidated 2008 ---	
	100 bps increase in Interest Rate	100 bps decrease in Interest Rate	100 bps increase in Interest Rate	100 bps decrease in Interest Rate
	$	$	$	$
Impact on profit (pre-tax)	19,393	(19,393)	18,969	(18,969)

(b) Credit Risk

The credit risk on the financial assets of the entity is the risk that one party to a financial instrument may cause a financial loss for the other party by failing to discharge an obligation. This credit risk for Belmont Holdings is minimised by its policy of placing surplus funds with the company's bankers. Other debt instruments are analysed closely. In the case of MainstreamBPO Unsecured Convertible Loan Notes, where interest of $81,000 is outstanding, Belmont Holdings Limited is taking legal advice and is also monitoring that company's management accounts and budgets.

(b) (i) Cash and Cash Equivalents

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

	-- Consolidated 2009 ---	-- Consolidated 2008 ---
	$	$
Cash at bank and short-term bank deposits		
AA/A-1+	14,339	-
A-1+	-	298,700
AAAm (Cash Trust)	-	69,436
Unrated	1,925,000	1,925,000

(b) (ii) Trade and sundry receivables

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

(c) Liquidity Risk

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

(c) (i) Maturities of financial assets

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

	-- Consolidated 2009 ---	-- Consolidated 2008 ---
Immediate	$ 16,208	$ 368,136
Between 1and 3 years	$ 1,925,000	$ 1,925,000

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

(c) (ii) Maturities of financial liabilities

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

	-- Consolidated 2009 ---	-- Consolidated 2008 ---
Within 90 days	$ 156,645	$ 25,067
Between 1and 3 years	$ -	$ 464

Note 20. Directors and Executives' Remuneration

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

Parent Entity Directors:

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

(b) Parent Entity Directors' Remuneration

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

2008	Salary, Fees & Commissions	Primary Superannuation Contributions	Post Employment	Equity Options	Other	Total
Mr P E J Murray	152,000	-	-	-	-	152,000
Mr J C Plummer	18,500	1,665	-	-	-	20,165
Mr R Chenery	-	17,705	-	-	-	17,705
Mr P G Cooper *	8,500	765	-	-	-	9,265
	179,000	20,135	-	-	-	199,135

* Includes $2,500 as Chairman of the ACRM Committee.

(c) Shareholdings

Number of Shares held by Parent Entity Directors / Specified Executives

	Balance 1.7.08	Received as Remuneration	Options Exercised	Net change *	Balance 30.06.09
Mr P E J Murray	1,142,994	-	-	-	1,142,994
Mr R Chenery	1,000	-	-	-	1,000
Mr J C Plummer	123,922	-	-	454,868	578,790
	1,267,916	-	-	454,868	1,722,784

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

(d) Remuneration Practices

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

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

Note 21. Auditor's Remuneration

	Consolidated 2009 $	Consolidated 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Remuneration for audit or review of the financial reports of the parent or any entity in the economic entity				
Cutcher & Neale - Assurance services	16,700	15,400	15,500	14,600
Remuneration for other services:				
Cutcher & Neale - Other compliance services	5,000	3,500	5,000	3,500
Total	21,700	18,900	20,500	18,100

Note 22. Contingent Liabilities

In support of past and future financing needs the parent company and its subsidiary Imperial Pacific Asset Management Pty Ltd have in place cross-guarantees to the bank. Neither the parent company nor Imperial Pacific Asset Management Pty Limited has any bank facilities or arrangements.

Note 23. Capital and Leasing commitments

(a) Capital Expenditure Commitments

There are no material capital commitments outstanding at year end.

(b) Operating Lease Commitments

Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities, payable	Consolidated 2009 $	Consolidated 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Not later than one year	15,000	15,000	15,000	15,000
Between 1 & 2 years	5,000	15,000	5,000	15,000
Later than 2 years but not later than 5 years	-	5,000	-	5,000
	20,000	35,000	20,000	35,000

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

Note 24. Employee entitlements

There is no pension scheme within the immediate group entities as at 30 June 2009. The company has no formal employees.

Note 25. Related Party transactions

Directors

The names of persons who were Directors of Belmont Holdings Limited at any time during the financial year were Mr J.C.Plummer, Mr P.E.J.Murray and Mr R.Chenery. Mr Plummer, Mr Murray and Mr Chenery were directors during the full year ended 30 June 2009.

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

Remuneration

Information on remuneration of directors is disclosed in Note 20.

Note 25. Related Party transactions (Cont'd)

Other related parties

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

	Consolidated 2009 $	Consolidated 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Management fee revenue				
Associated corporation - London City Equities Limited	122,291	130,320	-	-

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

	Consolidated 2009 $	Consolidated 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Current payables				
Controlled entities (intercompany balances)	-	-	(6,130,801)	(5,966,962)
Director related	(57,383)	(847)	(57,383)	(847)
Associated entity (intercompany balance)	(42,630)	-	-	-
Current receivables				
Controlled entities (loan)	-	-	3,690,140	3,700,140
Associated entity (intercompany balance)	1,869	29,180	1,869	1,021

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

Note 26. Investment in controlled entities

Name of Entity	Country of Incorpn	Class of shares	Equity holding 2009 %	Equity holding 2008 %	Cost of parent entity's investment 2009 $	Cost of parent entity's investment 2008 $
Imperial Pacific Asset Management Pty Limited	Australia	Ordinary Shares	100	100	1,000,000	1,000,000
Imperial Pacific Fund Managers Pty Limited (Note)	Australia	Ordinary Shares	100	100	1,700,000	1,700,000
Imperial Pacific Holdings Pty Limited	Australia	Ordinary Shares	100	100	*	*

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

Note 27. Investment in associate

Name of company	Ownership Interest 2009	Ownership Interest 2008	Consolidated carrying amount 2009 $	Consolidated carrying amount 2008 $	Parent Entity carrying amount 2009 $	Parent Entity carrying amount 2008 $
Traded on organised markets:						
London City Equities Limited Limited	27.5%	27.2%	3,256,743	3,632,662	2,619,376	3,018,707
(Incorporated in Australia)						
Strategic holding company investing in shares and deposits						
			3,256,743	3,632,662	2,619,376	3,018,707

Movements in carrying amounts of investments in associate	Consolidated carrying amount 2009 $	Consolidated carrying amount 2008 $
Carrying amount at the beginning of the financial year	3,632,662	3,465,549
Additional Equity Purchased	84,657	138,463
Net Increase (Reduction) in Reserves	(466,799)	(34,396)
Share of operating profits after income tax	65,422	175,915
Less dividends received from associates	(59,199)	(112,869)
Carrying amount at the end of the financial year	3,256,743	3,632,662

Note 27. Investment in associate (Cont'd)

	2009	2008
Results attributable to associate	**$**	**$**
Operating profits before income tax	65,422	175,915
Income tax expense	-	-
Operating profits after income tax	65,422	175,915
Less dividends receivable	(59,199)	(112,869)
	6,223	63,046
Realised profits attributable to associates at the beginning of the financial year	2,312,032	2,248,986
Retained profits attributable to associates at the end of the financial year	2,318,255	2,312,032
Reserves attributable to associate		
Capital Profits Reserve	306,385	302,825
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	237,572	646,191
Assets	11,895,347	13,495,410
Liabilities	(58,181)	(165,538)

Note 28. Economic dependency

The major business activities of the group during the year 2008/2009 were the portfolio management of London City Equities Limited and the monitoring of the group's investment in MainstreamBPO Pty Limited. The 27.5% owned London City Equities Limited owns 9.1% of South Australian Penrice Soda Holdings Limited and is in a relatively liquid position with around 45% of its funds placed on deposit with that company's bankers. Revenues will be subject to interest rate changes, pending reinvestment of those funds. Belmont also holds convertible loan notes in MainstreamBPO Pty Limited, a business process outsourcing company formed in 2006. The value of those convertible notes will depend on the continuing ability of that company's management team to acquire customers, keep management costs under control and grow its business profitably in the financial services sector.

Note 29. Events occurring after balance date

The Directors have declared that no dividend will be payable for 2009.

Note 30. Cash Flow Information

	Consolidated		Parent Entity	
Reconciliation of operating profit after income tax	**2009**	**2008**	**2009**	**2008**
to net cash inflow from operating activities:	**$**	**$**	**$**	**$**
Operating Profit (Loss) after Income Tax	5,432	48,105	(45,257)	308,063
Non cash flows in operating profit / (loss) :				
Income Tax paid re previous year	-	(162,187)	-	(162,187)
Income Tax accrued - not paid	-	8,262	-	8,262
Income Tax received /paid re previous year	706	-	706	-
Depreciation	550	824	-	-
Loss on Sale of Shares	452	-	452	-
Management Fees accrued, not paid	-	(106,050)	(100,000)	(100,000)
Management Fees received re prior year	28,159	691,118	-	-
Dividend Received - Related Company	-	-	-	(350,000)
Minority Interest in Associated company	(65,422)	(175,916)	-	-
Dividend DRP - Associated Company	-	-	(59,199)	(112,609)
Income Accrued - not received	-	260	-	-
Changes in assets and liabilities				
(Increase) Decrease in other Debtors	(62,344)	(14)	(85,525)	(14)
Increase (Decrease) in other Creditors	101,857	(10,789)	93,946	6,789
Changes in related party items for non-cash sums	-	17,272	-	3,693
Net Cash used by Operating Activities	9,390	310,885	(194,877)	(398,003)

Note 30. Cash Flow Information (Cont'd)

Cash Balances at Year End comprise:				
Cash at Bank and on hand (Note 6)	14,339	368,136	4,180	298,700
Balance as per Cash Flow Statement	14,339	368,136	4,180	298,700

Note 31. Earnings per share

Basic Earnings per share	Cents	0.19	1.66
Diluted Earnings per share	Cents	0.19	1.66
(No dilution as no options in existence)			
Weighted average number of ordinary shares during the year used in the calculation of basic EPS		2,906,504	2,906,504

Note 32. New Accounting Standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2009 reporting periods. The company's assessment of the impact of these new standards is set out below.

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

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

Directors' Declaration

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

(a) the financial statements and notes as set out on pages 12 to 30 are in accordance with the Corporations Act 2001 including

a. complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

b. giving a true and fair view of the Company's and consolidated entity's financial position as at 30 June 2008 and of its performance, as represented by the results of their operations, changes in equity and their cash flows, for the financial year on that date; and

(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

(c) the audited remuneration disclosures set out in the financial report comply with Accounting Standards AASB 124 Related Party Disclosures and the Corporations Regulations 2001.

(d) The Directors have been given the declarations by the effective chief executive officer and the effective chief financial officer required by Section 295A of the Corporations Act 2001.

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

P. E. J. MURRAY, Director

J. C. PLUMMER, Director

Sydney Dated: 3 September 2009

Cutcher & Neale
Innovative thinking. Traditional values

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

BELMONT HOLDINGS LIMITED AND CONTROLLED ENTITIES
ABN 65 000 144 561

I declare that to the best of my knowledge and belief, during the year ended 30 June 2009 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Dated this 3rd day of September 2009
First Floor
25 Bolton Street
NEWCASTLE

CUTCHER & NEALE
CHARTERED ACCOUNTANTS

I. K. Neale FCA
Partner

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

Report on the Financial Report

We have audited the accompanying financial report of Belmont Holdings Limited (the company) Belmont Holdings Limited and Controlled Entities (the consolidated entity), which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cashflow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

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

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

Auditor's Responsibility

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

INDEPENDENT AUDIT REPORT TO THE MEMBERS (Cont'd)

Auditor's Responsibility (Cont'd)

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

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Belmont Holdings Limited (the company) Belmont Holdings Limited and Controlled Entities (the consolidated entity) on 3 September 2009, would be in the same terms if provided to the directors as at the date of this auditor's report.

Auditor's Opinion

In our opinion:

(a) the financial report of Belmont Holdings Limited and Controlled Entities is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the company's and the consolidated entity's financial position as at 30 June 2009 and their performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1

Dated this 3rd day of September 2009
First Floor
25 Bolton Street
NEWCASTLE

CUTCHER & NEALE
CHARTERED ACCOUNTANTS

I.K. Neale FCA
Partner

Corporate Governance Charters - 2009

A – The Board Charter of Belmont Holdings Limited

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

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

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

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

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

The Board continues to comprise the following members: P E J Murray (Chairman), R Chenery and J C Plummer
Meetings
The Board proposes to meet a minimum of four times each year. Additional meetings may be initiated by a Director or through requests from senior management.
External Reporting
The Board recognises its legislative and regulatory obligations to report financial and other events to its owners, the shareholders, on a continuous disclosure basis and to comply with other regulatory obligations such as those of ASIC and ATO and to undertake scrutiny and re-election at Shareholder Meetings.
Other Duties and Responsibilities
In addition to its formal legislative and regulatory obligations, the Board's responsibilities include the following:

Planning and Decision making

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

Board Charter (Cont'd)

Monitoring

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

Reporting

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

Management

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

Liaison with Management

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

Codes of Conduct, Securities Dealings

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

Other

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

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

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

Terms of Reference

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

A. Audit

a. Articulation of the guiding principles to be adopted by the external auditors;

b. Consideration of operating functions that will ensure adequate internal controls and financial reporting systems are in place.

B. Compliance

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

ACRM Charter (Summary) (Cont'd)

C. Risk Management

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

Membership

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

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

Meetings

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

Reporting to the Board

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

Specific Duties and Responsibilities

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

One - Internal Controls and Procedures

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

Two - External Audit

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

Three - Published Financial Statements

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

Four - Compliance

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

Five - Risk Management

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

Six - Special Assignments

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

General

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

C – The Remunerations Committee Charter (Summary)

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

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

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

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

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

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

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

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

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

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

Belmont Holdings Limited

Additional Information - Australian Securities Exchange Limited

Distribution of Equity Securities as at 2 September 2009

234 Shareholders held Ordinary Shares

The number of holders in the following categories are:-

1 - 1,000	111
1,001 - 5,000	83
5,001 - 10,000	8
10,0011 - 100,000	28
100,001 and over	4
	234

There were 8 shareholders with a non-marketable parcel of shares.

Substantial Shareholders - 2 September 2009	Shares in which a relevant interest could be held
P.E.J.Murray	1,142,994
J.C.Plummer	578,790

Twenty Largest Shareholders as at 2 September 2009

The names of the 20 largest shareholders are:-

Name	**Shares Held**
P.E.J. Murray	802,500
J.C. Plummer	578,790
Capel Court Corporation Pty Limited	339,294
Embankment Nominees Pty Limited	145,197
Zoom Zoom Pty Limited	66,418
V.J.Plummer	85,000
D. Murray	39,840
C.D. & G.H.Amor	39,000
Invia Custodian Pty Limited	38,392
Peq Nominees Pty Limited	36,615
C.D. Murphy	33,600
Symspur Pty Limited	31,277
Saddington's Holdings Pty Limited	28,428
M.C. Eckford	26,076
J.J.M. Eckford	26,075
P.H. Eckford	26,075
D. Laughlin	26,075
J.C.Petherick	23,315
R.W.Jarvie	21,052
Venasta Pty Limited	20,000
	2,433,019
Percentage of capital held by top twenty:	83.71%

Voting

Voting Rights are one vote per share held.

Service Agreements

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

History – Belmont Group

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

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

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

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

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

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

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

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

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

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

1989 - J C Ludowici shareholding sold for significant gain.

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

1991 - Camelot Resources Limited joins Belmont group

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

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

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

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

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

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

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

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

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

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

2003 -Spring Farm property negotiations at $8.9 million.

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

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

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

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

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

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