BBX HOLDINGS LIMITED ABN 82 089 221 634

and Controlled Entities

DIRECTORS REPORT

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

Directors

The names of directors in office at any time during or since the end of the financial year are:

Paul Page (appointed 2 September 2010)
Michael Hogg (appointed 10 September 2010)
Michael Touma
Hector Vieira (resigned 4 March 2010)
Carolin Macdonald (resigned 10 September 2010)

Company Secretary

The Company Secretary at the end of the financial year is Tim Creasy. He is a Chartered Accountant.

Sylvie Dimarco LLB, CSA (Cert.) was appointed as Joint Company Secretary on 2 September 2010.

Principal Activities

BBX Holdings Limited is a barter trading company, facilitating cashless trading of goods and services between member businesses. On 22 January 2010, the Company held a General Meeting of Shareholders and successfully received shareholder approval for a number of resolutions in relation to corporate restructuring as set out in the Notice of Meeting announced to the Australian Stock Exchange on 24 December 2009.

Operating Results

The consolidated profit of the group after providing for income tax amounted to $896,000.

Dividends Paid or Recommended

No dividends have been paid or recommended during the year

Review of Operations

The consolidated financial statements show for the year ended 30 June 2010:

Net Profit:	$896,000
Gross Revenue:	$1,059,000.

Cash Position:	2010	2009
	$	$
Net increase (Decrease) in cash held	570	(82)
Cash at 1 July	(570)	(488)
Cash at 30 June	Nil	(570)
Net movement in trade dollars:	1,496	(2,332)
Trade dollar balance at 1 July	(1,496)	836
Trade dollar balance at 30 June	Nil	(1,496)

Significant Changes in State of Affairs

The Company had been pursuing growth through development of both domestic and international franchise operations. On 22 January 2010, the Company held a General Meeting of Shareholders and successfully received shareholder approval for a number of resolutions in relation to corporate restructuring as set out in the Notice of Meeting announced to the Australian Stock Exchange on 24 December 2009. The shareholder approved restructure has resulted in a number of positive outcomes for the Company.

After Balance Date Events

In compliance with the continuous disclosure requirements of the ASX, all significant matters that may affect the Company's operations and/or the interests of shareholders are promptly announced. Such announcements are available through the ASX's website.

Future Developments

A number of strategies are under consideration in response to the uncertain economic conditions in Australia and overseas. Announcements will be made at the ASX website when those strategies are finalized by the board of directors.

The operations of the Company are not subject to any particular or significant regulation under any law of the Commonwealth of Australia or any of its states or territories or any law of any country in which the consolidated group operates.

Information on Directors

Hector Vieira	-	Former Chairman and Non-Executive Director (resigned 4 March 2010)	
Qualifications	-	B.Comm, CA	
Experience	-	Appointed Director in October 2004. Has practised as an Accountant for 32 years. Established the accountancy firm of VLC Partners in 1983 and has been a partner of this firm since that time.	
Interest in Shares	-	8,000 ordinary shares; 8,000 ordinary shares held by an entity in which Mr Vieira has an interest; 108,000 ordinary shares held by a super fund of which Mr Vieira is a trustee.	
Other Directorships	-	Current Directorships:	Nil
	-	Former Directorships of Listed Entities in last 3 years:	Nil

Michael Touma	-	Non Executive Director	
Qualifications	-	Certified Trade Broker	
Experience	-	Appointed Director in 1999. Founder and Managing Director of the BBX Group of Companies since 1993.	
Interest in Shares		546,460 ordinary shares held by other entities in which Mr Touma has an interest	
Other Directorships	-	Current Directorships:	
		- Director, BBX Property Investment Fund Limited	
	-	Former Directorships of Listed Entities in last 3 years:	Nil

Carolin Macdonald		Former Executive Director (resigned 10 September 2010)	
Qualifications	-	Business Administration, Cert III & IV	
Experience	-	Appointed Director in October 2004. Worked in the BBX Group of Companies since 1993. Currently Chief Operating Officer.	
Special Responsibilities	-	Chief Operating Officer	
Interest in Shares		32,000 ordinary shares 15,000 ordinary shares held by a super fund of which Mrs Macdonald is the trustee	
Other Directorships	-	Current Directorships: BBX Property Investment Fund Ltd.	
	-	Former Directorships of Listed Entities in last 3 years:	Nil

Background of Directors and Officers appointed since 30 June 2010

Paul Page - Executive Chairman (Appointed 2 September 2010)

B Bus MIACD

Director of Arthur Phillip Pty Ltd. Former directorships include Stirling Resources Limited and Australian Power & Gas Company Limited.

Mr Page commenced his career as an accountant with KPMG specialising in managing businesses under administration. He left KPMG in 1992 to commence a career in stockbroking and equity capital markets. In 2003 he co-established Arthur Phillip Pty Limited which has recently been involved in projects with Australian Power & Gas Company Limited (ASX: APK) and White Energy Limited (ASX: WEC). Mr Page has twenty years experience in equity capital markets and merchant banking and has an extensive understanding of the financial, industrial and resources sectors.

Michael Hogg – Non Executive Director (Appointed 10 September 2010)

Michael is the Australian Chief Executive Officer of The Cobra Group Pty Ltd, which is part a direct sales organisation with over 10,000 sales representatives in 20 countries worldwide. He is also a non executive Director of Australian Power & Gas Company Limited. Former directorships include financial services company Firstfolio Limited.

Sylvie Dimarco - Company Secretary (Appointed 2 September 2010)

LLB, CSA (Cert)

The Joint Company Secretary at the date of this report is Ms Sylvie Dimarco. Ms Dimarco was appointed Company Secretary on 2 September 2010. Ms Dimarco holds a Bachelor of Laws from the University of Sydney and has practised as commercial lawyer for eleven years. Ms Dimarco has experience in commercial, property and corporations law. Ms Dimarco is a Certified Member of Chartered Secretaries of Australia. Ms Dimarco is also a Company Secretary of Adavale Resources Limited and Resources & Energy Group Limited. For the past three years Ms Dimarco has been working as the Compliance Officer of Arthur Phillip, an investment house and corporate advisor.

Directors Meetings

Director	Date Appointed	Date Retired/ Resigned	Board Meetings		Audit Committee	
			A	B	A	B
Carolin Macdonald	17.10.04	10.09.10	4	4		
Michael Touma	24.08.99	-	4	4		
Hector Vieira	17.10.04	04.03.10	4	4	1	1

A = Number of Meetings held during the time when the Director held office during the year

B = Number of Meetings attended by Director

REMUNERATION REPORT

This report details the nature and amount of remuneration for each director of BBX Holdings Limited and for the executives receiving the highest remuneration.

Remuneration Policy

The remuneration policy of BBX Holdings Limited has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the consolidated group's financial results. The Board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the high quality executives and directors to run and manage the consolidated group, as well as create goal congruence between directors, executives and shareholders.

The board's policy for determining the nature and amount of remuneration for board members and senior executives of the consolidated group is as follows:

- The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed by the Board.

- superannuation, fringe benefits, options and in some cases performance incentives.
- The Board, in consultation with the Managing Director, reviews executive packages annually by reference to the consolidated group's performance, executive performance and comparable information from industry sectors.

Executives are in some cases entitled to participate in the employee share and option arrangements.

The executive directors and executives receive a superannuation guarantee contribution required by the government, which is currently 9% and do not receive any other retirement benefits. Some individuals, however, have chosen to sacrifice part of their salary to increase payments towards superannuation.

All remuneration paid to directors and executives is valued at the cost to the company and expensed. Shares given to directors and executives are valued as the difference between the market price of those shares and the amount paid by the director or executive.

The Board policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The Board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. Fees for non-executive directors are not linked to the performance of the consolidated group. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the company and are able to participate in the employee share option plan.

Company performance, shareholder wealth and director and executive remuneration

The remuneration policy has been tailored to increase goal congruence between shareholders, directors and executives. This has been achieved by the issue of options to the majority of directors and executives to encourage the alignment of personal and shareholder interests. The Board believes this policy will be effective in increasing shareholder wealth over the next few years.

Details of remuneration for year ended 30 June 2010

The remuneration for each director and each of the five executive officers of the consolidated entity receiving the highest remuneration during the year was as follows:

Directors

Director	Salary & fees	Super Contrib'n	Cash Bonus	Non-cash benefit	Total	Perfor-mance Related %
Hector Vieira	25,666				25,666	0
Carolin Macdonald	59,894	4,291			64,185	0
Michael Touma	92,504	7,901			100,405	0

Specified Executives

Executive	Salary & fees	Super Contrib'n	Cash Bonus	Non-cash benefit	Total	Performance Related %
Mireille Touma	73,488	27,380	-	-	100,869	0
Tim Creasy	36,046	-			36,046	
Magali Russo	43,770	4,921	-	-	48,691	0

Share Options Granted to Directors and Specified Executives

The following options were granted to directors and some of the specified executives, upon the official quotation of the Company's shares on the ASX on 12 August 2005. The details of these options appear in the following table:

Director	Options Granted	Options Vested as part of Remuneration	Options Exercised	Option Lapsed	Total Remuneration Represented by Options %
Tim Creasy	400,000	400,000	0	400,000	NA
Richard Poole	2,400,000	2,400,000	0	2,400,000	NA
Carolin Macdonald	400,000	400,000	0	400,000	NA
Hector Vieira	400,000	400,000	0	400,000	NA

The above options were granted under the BBX Staff Share Option Plan. Options granted give no rights to voting and no entitlement to dividends.

Options issued as part of remuneration for the year ended 30 June 2010

Options were issued in 2005 to directors and executives as part of their remuneration. Those options have now all expired and none was exercised. No options are currently outstanding.

Environmental Issues

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Directors, Officers and Auditors Indemnifications

The Company has entered into an agreement to indemnify directors against any liability arising from acting in the capacity of director of the company, other than conduct involving a wilful breach of duty in relation to the Company.

The Company has not provided any indemnification to the auditors

Proceedings on Behalf of Company

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

The company was not a party to any such proceedings during the year.

Non-audit Services

The board of directors, in accordance with advice from the audit committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2002*. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2010 is attached at page 7

Rounding of Amounts

The company is an entity to which ASIC Class Order 98/100 applies and, accordingly, amounts in the financial statements and directors' report have been rounded to the nearest thousand dollars.

Directors' Resolution

This Directors' Report has been made in accordance with a resolution of directors dated 27 September 2010.

Paul Page
Chairman

28 September 2010

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chartered accountant
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rnp

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

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

1. no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

2. no contraventions of any applicable code of professional conduct in relation to the audit.

Robert Nielson Partners

Robert Nielson

Date 28 September 2010

BBX HOLDINGS LIMITED ABN 82 089 221 634
and Controlled Entities

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR YEAR ENDED 30 JUNE 2010

	Note	Consolidated Group		Parent Entity	
		2010 $000	**2009 $000**	**2010 $000**	**2009 $000**
Revenue	2	1,059	5,088	1,059	-
Gain on sale of subsidiary	2	1,065	-	1,065	
Loss on Sale of Share Investment		-	(76)	-	(76)
Loss on Sale of N/C Asset		-	(248)	-	-
Loss on Sale of Franchise		-	(29)	-	-
Loss on Sale of Invest. Land		-	(9)	-	-
Loss on Sale of Invest. Stock		-	(447)	-	-
Adjustment - Share Investment		287	(171)	287	(5,777)
Cost of Goods Sold			(67)	-	-
Employee benefits expenses		(7)	(2,234)	(7)	(36)
Depreciation and amortisation expense		-	(434)	-	-
Borrowing costs expenses		-	(249)	-	-
Accounting fees			(35)	-	-
Advertising and sponsorship			(1,134)	-	-
Auditors remuneration		(18)	(183)	(18)	(20)
Bad and doubtful debts		-	(974)		-
Commission paid			(760)		-
Consultancy fees			(238)		-
Debts collection expenses			(28)		-
Impairment of goodwill			(5,005)		(3,046)
Impairment of listed shares		(1,244)		(1,244)	
Legal and professional fees		(150)	(299)	(150)	(6)
Management fee		(1,059)	-	(1,059)	-
Office expenses		-	(33)	-	-
Printing and stationery			(193)	-	-
Provision for annual and long service leave			29	-	-
Rent			(458)	-	-
Telephone			(171)	-	-
Travelling and trade promotion expenses			(414)	-	-
Other expenses		(34)	(582)	(34)	(19)
Profit/(loss) before income tax	3	(101)	(9,354)	(101)	(8,980)
Income tax expense		-	-	-	-
Profit/(loss) from continuing operations		(101)	(9,354)	(101)	(8,980)
Profit from discontinued operations	4	997	-	-	-
Profit/(loss) for the year		896	(9,354)	(101)	(8,980)
Other comprehensive income					
Total comprehensive income for the year		896	(9,354)	(101)	(8,980)

BBX HOLDINGS LIMITED ABN 82 089 221 634

and Controlled Entities

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR YEAR ENDED 30 JUNE 2010

Profit/(Loss) attributable to:					
Members of the parent entity		896	(9,324)	(101)	(8.980)
Non-controlling interest			30		
		896	(9.354)	(101)	(8,980)
Total comprehensive income attributable to:					
Members of the parent entity		896	(9,324)	(101)	(8.980)
Non-controlling interest			(30)		
		896	(9.354)	(101)	(8,980)
Overall Operations					
Basic earnings per share (cents per share)		1.23	(12.19)		
Diluted earnings per share (cents per share)	8	1.23	(12.19)		
Continuing Operations	8				
Basic earnings per share (cents per share)		(0.14)	(12.19)		
Diluted earnings per share (cents per share)	8	(0.14)	(12.19)		
Discontinued Operations	8				
Basic earnings/(loss) per share (cents per share)		1.37			

BBX HOLDINGS LIMITED ABN 82 089 221 634

and Controlled Entities

BALANCE SHEET AS AT 30 JUNE 2010

	Note	Consolidated Group		Parent Entity	
		2010 $000	2009 $000	2010 $000	2009 $000
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	9	-	10	-	-
Trade and other receivables	10	-	998	-	10
Inventories	11	-	58	-	-
Other current assets	15	-	163	-	-
TOTAL CURRENT ASSETS		-	1,229	-	10
NON-CURRENT ASSETS					
Trade and other receivables	10	-	21	-	1,400
Investment Stock	12	-	124		-
Financial assets	13	631	2,600	631	2,996
Property, plant and equipment	16	-	485	-	-
Intangible assets	17	-	957	-	-
TOTAL NON-CURRENT ASSETS		631	4,187	631	4,396
TOTAL ASSETS		631	5,416	631	4,406
CURRENT LIABILITIES					
Trade and other payables	18	14	1,413	14	10
Financial liabilities	19	-	810	-	-
Other current liabilities	20	-	1,496	-	2,890
Short-term provisions	21	-	146	-	-
TOTAL CURRENT LIABILITIES		14	3,865	14	2,900
NON-CURRENT LIABILITIES					
Trade and other payables	18	298	699	298	5
Financial liabilities	19	-	251	-	-
Long-term provisions	21	-	97	-	-
TOTAL NON-CURRENT LIABILITIES		298	1,047	298	5
TOTAL LIABILITIES		312	4,912	312	2,905
NET ASSETS		319)	503	319	1,501
EQUITY					
Issued capital	22	10,104	11,183	10,104	11,183
Reserves			7		-
Accumulated losses		(9,785)	(10,657)	(9,785)	(9,682)
Parent interest		319	533	319	1,501
Minority equity interest		-	(30)	-	-
TOTAL EQUITY		319	503	319	1,501

BBX HOLDINGS LIMITED ABN 82 089 221 634

and Controlled Entities

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2010

Consolidated Group	Note	Share Capital Ordinary	Accumulated Losses	Foreign Exchange Reserve	Minority Equity Interest	Option Reserve	Total
		$000	$000	$000	$000	$000	$000
Balance at *1.7.2008*		11,183	(1,416)	(161)		83	9,689
Profit/(loss) attributable to members of parent entity			(9,324)				(9,324)
Expiration of options			83			(83)	-
Adjustment from transaction of foreign controlled entity				168			168
Loss attributable to minority shareholders					(30)		(30)
Subtotal		11,183	(10,657)	7	(30)	-	503
Dividend paid or provided for							
Balance at *30.6.2009*		11,183	(10,657)	7	(30)	-	503
Profit/(loss) attributable to members of parent entity			865				315
Profit attributable to minority shareholders					30		30
Shares issued during the year		20					
Shares bought back during the year		(1,099)					(1,079)
Transfer from foreign exchange reserve to retained earnings			7	(7)			-
					-	-	
Subtotal		10,104	(9.785)	-			319
Dividend paid or provided for							
Balance at *30.6.2010*		10,104	(9,785)	-	-	-	319

The accompanying notes form part of these financial statements.

BBX HOLDINGS LIMITED ABN 82 089 221 634
and Controlled Entities

CASH FLOW STATEMENT FOR YEAR ENDED 30 JUNE 2010

	Note	Consolidated Group		Parent Entity	
		2010 $000	2009 $000	2010 $000	2009 $000
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		3,602	4,433	-	-
Payments to suppliers and employees		(3,365)	(4,221)	-	-
Interest received		-	3	-	-
Finance costs		(178)	(197)	-	-
Net cash provided by (used in) operating activities		59	18	-	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of property, plant and equipment		-	117	-	-
Proceeds from sale of subsidiaries		-	-	-	-
Purchase of intangibles		-	-	-	-
Purchase of other non-current assets		-	-	-	-
Net cash provided by (used in) investing activities		-	117	-	-
CASH FLOWS FROM FINANCING ACTIVITIES					
Shares bought back			-	-	-
Proceeds from borrowings		718	-	-	-
Repayment of borrowings		(207)	(217)	-	
Dividends paid by parent entity		-	-	-	(5)
Net cash provided by (used in) financing activities		511	(217)	-	(5)
Net increase in cash held		570	(82)	-	(5)
Cash at beginning of financial year	9	(570)	(488)	-	5
Cash at end of financial year	9	-	(570)	-	-

Due to the extensive use of Trade Dollars in the operation of the business, it is not possible to extract the cash portion of the balance sheet accounts and profit & loss accounts. As such, it is not possible to reconcile the net cash provided by operating activities to the net profit after tax.

The accompanying notes form part of these financial statements.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report includes the consolidated financial statements and notes of BBX Holdings limited and controlled entities ('Consolidated Group' or 'Group'), and the separate financial statements and notes of BBX Holdings limited as an individual parent entity. The financial report was adopted by the Directors of the Group on 30 September 2010.

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The group has completed various transactions denominated in BBX trade dollars during the year. Certain assets and liabilities at year end are recorded in BBX trade dollars. These transactions and balances have been converted on the basis of one BBX trade dollar for one currency unit in each of the countries in which the group operates.

The financial report has been prepared on an accruals basis and is based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(a) Principles of Consolidation

A controlled entity is any entity over which BBX Holdings Ltd has the power to govern the financial and operating policies of so as to obtain benefits from its activities. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered.

A list of controlled entities is contained in Note 16 to the financial statements. All controlled entities have a June financial year-end.

At reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered (left) the consolidated group during the year, their operating results have been included (excluded) from the date control was obtained (ceased).

All inter-group balances and transactions between entities in the consolidated group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Minority interests, being that portion of the profit or loss and net assets of subsidiaries attributable to equity interests held by persons outside the Group, are shown separately within the Equity section of the consolidated Balance Sheet and in the consolidated Income Statement.

(b) Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

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

(c) Inventories

Inventories are measured at the lower of cost and net realisable value.

(d) Plant and Equipment

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

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the re-valued amount of the asset.

-Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

-Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the consolidated group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Buildings	2.5%
Leasehold improvements	2.5%
Plant and equipment	7.5-50%
Leased plant and equipment	7.5%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(e) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to entities in the consolidated group are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(f) Financial Instruments

Recognition and Initial Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement

Finance instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

a. the amount at which the financial asset or financial liability is measured at initial recognition;

b. less principal repayments;

c. plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and

d. less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

i. *Financial assets at fair value through profit or loss*

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

ii. *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

iii. *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

iv. *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

v. *Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Fair Value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(g) Impairment of Assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(h) Intangibles

-Goodwill

Goodwill and goodwill on consolidation are initially recorded at the amount by which the purchase price for a business combination exceeds the fair value attributed to the interest in the net fair value of identifiable assets, liabilities and contingent liabilities at date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(i) Foreign Currency Transactions and Balances

Functional and Presentation Currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and Balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the income statement, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the income statement.

Group Companies

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

— assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;

— income and expenses are translated at average exchange rates for the period; and

— retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the balance sheet. These differences are recognised in the income statement in the period in which the operation is disposed.

(l) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within 1 year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than 1 year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(j) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(k) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

(l) BBX Trade Dollars

BBX currency unit adopted by the BBX Exchange in order to pass value between Member's accounts. It has par value with the currency of the country in which the exchange operates, for example, one BBX Trade Dollar (BBX$) equals one A$ in Australia. and one NZ$ in New Zealand.

(m) Revenue

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Dividends received from associates and joint venture entities are accounted for in accordance with the equity method of accounting.

All revenue is stated net of the amount of goods and services tax (GST)

(n) Borrowing Costs

All borrowing costs are recognised in income in the period in which they are incurred.

(o) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(p) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(q) Rounding of Amounts

The parent entity has applied the relief available to it under ASIC Class Order 98/100 and accordingly, amounts in the financial report and directors' report have been rounded off to the nearest $1,000.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(s) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Key Estimates — Impairment

The group assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

(t) Adoption of New and Revised Accounting Standards

During the current year the Group adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

The adoption of these standards has impacted the recognition, measurement and disclosure of certain transactions. The following is an explanation of the impact the adoption of these standards and interpretations has had on the financial statements of the Company.

AASB 8: Operating Segments

In February 2007 the Australian Accounting Standards Board issued AASB 8 which replaced AASB 114: Segment Reporting. As a result, some of the required operating segment disclosures have changed with the addition of a possible impact on the impairment testing of goodwill allocated to the cash generating units (CGUs) of the entity. Below is an overview of the key changes and the impact on the Group's financial statements.

Measurement impact

Identification and measurement of segments — AASB 8 requires the 'management approach' to the identification measurement and disclosure of operating segments. The 'management approach' requires that operating segments be identified on the basis of internal reports that are regularly reviewed by the entity's chief operating decision maker, for the purpose of allocating resources and assessing performance. This could also include the identification of operating segments which sell primarily or exclusively to other internal operating segments. Under AASB 114, segments were identified by business and geographical areas, and only segments deriving revenue from external sources were considered.

The adoption of the 'management approach' to segment reporting has resulted in the identification of reportable segments largely consistent with the prior year.

Under AASB 8, operating segments are determined based on management reports using the 'management approach', whereas under AASB 114 financial results of such segments were recognised and measured in accordance with Australian Accounting Standards. This has resulted in changes to the presentation of segment results, with inter-segment sales and expenses such as depreciation and impairment now being reported for each segment rather than in aggregate for total group operations, as this is how they are reviewed by the chief operating decision maker.

Impairment testing of the segment's goodwill

AASB 136: Impairment of Assets, para 80 requires that goodwill acquired in a business combination shall be allocated to each of the acquirer's CGUs, or group of CGUs that are expected to benefit from the synergies of the combination. Each cash generating unit (CGU) which the goodwill is allocated to must represent the lowest level within the entity at which goodwill is monitored, however it cannot be larger than an operating segment. Therefore, due to the changes in the identification of segments, there is a risk that goodwill previously allocated to a CGU which was part of a larger segment could now be allocated across multiple segments if a segment had to be split as a result of changes to AASB 8.

Management have considered the requirements of AASB 136 and determined the implementation of AASB 8 has not impacted the CGUs of each operating segment.

Disclosure impact

The re has been no disclosure impact as a result of adoption of this standard.

AASB 101: Presentation of Financial Statements

In September 2007 the Australian Accounting Standards Board revised AASB 101 and as a result, there have been changes to the presentation and disclosure of certain information within the financial statements. Below is an overview of the key changes and the impact on the Group's financial statements.

Disclosure impact

Terminology changes — the revised version of AASB 101 contains a number of terminology changes, including the amendment of the names of the primary financial statements.

Reporting changes in equity — the revised AASB 101 requires all changes in equity arising from transactions with owners, in their capacity as owners, to be presented separately from non-owner changes in equity. Owner changes in equity are to be presented in the statement of changes in equity, with non-owner changes in equity presented in the statement of comprehensive income. The previous version of AASB 101 required that owner changes in equity and other comprehensive income be presented in the statement of changes in equity.

Statement of comprehensive income — the revised AASB 101 requires all income and expenses to be presented in either one statement, the statement of comprehensive income, or two statements, a separate income statement and a statement of comprehensive income. The previous version of AASB 101 required only the presentation of a single income statement.

The Group's financial statements now contain a statement of comprehensive income.

Other comprehensive income — The revised version of AASB 101 introduces the concept of 'other comprehensive income' which comprises of income and expenses that are not recognised in profit or loss as required by other Australian Accounting Standards. Items of other comprehensive income are to be disclosed in the statement of comprehensive income. Entities are required to disclose the income tax relating to each component of other comprehensive income. The previous version of AASB 101 did not contain an equivalent concept.

(u)

New Accounting Standards for Application in Future Periods

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods. The Group has decided against early adoption of these standards. A discussion of those future requirements and their impact on the Group follows:

- AASB 9: Financial Instruments and AASB 2009–11: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12] (applicable for annual reporting periods commencing on or after 1 January 2013).

  These standards are applicable retrospectively and amend the classification and measurement of financial assets. The Group has not yet determined the potential impact on the financial statements.

  The changes made to accounting requirements include:

  — simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;

  — simplifying the requirements for embedded derivatives;

  — removing the tainting rules associated with held-to-maturity assets;

  — removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;

  — allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument; and

  — reclassifying financial assets where there is a change in an entity's business model as they are initially classified based on:

    a. the objective of the entity's business model for managing the financial assets; and

    b. the characteristics of the contractual cash flows.

- AASB 124: Related Party Disclosures (applicable for annual reporting periods commencing on or after 1 January 2011).

  This standard removes the requirement for government related entities to disclose details of all transactions with the government and other government related entities and clarifies the definition of a related party to remove inconsistencies and simplify the structure of the standard. No changes are expected to materially affect the Group.

- AASB 2009–4: Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 2 and AASB 138 and AASB Interpretations 9 & 16] (applicable for annual reporting periods commencing from 1 July 2009) and AASB 2009-5: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139] (applicable for annual reporting periods commencing from 1 January 2010).

  These standards detail numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project. No changes are expected to materially affect the Group.

- AASB 2009–8: Amendments to Australian Accounting Standards — Group Cash-settled Share-based Payment Transactions [AASB 2] (applicable for annual reporting periods commencing on or after 1 January 2010).

  These amendments clarify the accounting for group cash-settled share-based payment transactions in the separate or individual financial statements of the entity receiving the goods or services when the entity has no obligation to settle the share-based payment transaction. The amendments incorporate the requirements previously included in Interpretation 8 and Interpretation 11 and as a consequence, these two Interpretations are superseded by the amendments. These amendments are not expected to impact the Group.

- AASB 2009–10: Amendments to Australian Accounting Standards — Classification of Rights Issues [AASB 132] (applicable for annual reporting periods commencing on or after 1 February 2010).

  These amendments clarify that rights, options or warrants to acquire a fixed number of an entity's own equity instruments for a fixed amount in any currency are equity instruments if the entity offers the rights, options or warrants pro-rata to all existing owners of the same class of its own non-derivative equity instruments. These amendments are not expected to impact the Group.

- AASB 2009–12: Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052] (applicable for annual reporting periods commencing on or after 1 January 2011).

  This standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of International Financial Reporting Standards by the IASB. The standard also amends AASB 8 to require entities to exercise judgment in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. These amendments are not expected to impact the Group.

- AASB 2009–13: Amendments to Australian Accounting Standards arising from Interpretation 19 [AASB 1] (applicable for annual reporting periods commencing on or after 1 July 2010).

  This standard makes amendments to AASB 1 arising from the issue of Interpretation 19. The amendments allow a first-time adopter to apply the transitional provisions in Interpretation 19. This standard is not expected to impact the Group.

- AASB 2009–14: Amendments to Australian Interpretation — Prepayments of a Minimum Funding Requirement [AASB Interpretation 14] (applicable for annual reporting periods commencing on or after 1 January 2011).

  This standard amends Interpretation 14 to address unintended consequences that can arise from the previous accounting requirements when an entity prepays future contributions into a defined benefit pension plan.

- AASB Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments (applicable for annual reporting periods commencing on or after 1 July 2010).

  This Interpretation deals with how a debtor would account for the extinguishment of a liability through the issue of equity instruments. The Interpretation states that the issue of equity should be treated as the consideration paid to extinguish the liability, and the equity instruments issued should be recognised at their fair value unless fair value cannot be measured reliably in which case they shall be measured at the fair value of the liability extinguished. The Interpretation deals with situations where either partial or full settlement of the liability has occurred. This Interpretation is not expected to impact the Group.

The Group does not anticipate the early adoption of any of the above Australian Accounting Standards.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 2: REVENUE

	Note	Consolidated Group		Parent Entity	
		2010 $000	2009 $000	2010 $000	2009 $000
Sales revenue					
— service fees		1,059	4,843	1,059	-
— sale of goods		-	167	-	-
— interest received	2a	-	3	-	-
— rental revenue for property investment		-	33	-	-
— Other revenue		-	42	-	-
Total Revenue		1,059	5,088	1,059	-
Other income					
gains on disposal of controlled entity		1,065	-	1,065	-
gain on revaluation of share investments		287		287	
		1,352	-	1,352	-
Interest revenue from other persons:		-	3		
Total revenue and other income from continuing operations		2,411	5,091	2,411	
Revenue and other income from discontinuing operations		5,299			

NOTE 3: PROFIT FOR THE YEAR

	Note	Consolidated Group		Parent Entity	
		2010 $000	2009 $000	2010 $000	2009 $000
a. **Expenses**					
Cost of sales			67		-
Management fee		(1,059)		(1,059)	
Impairment of shares		(1,244)		(1,244)	
Bad and doubtful debts:					
— trade receivables		-	974	-	-
Total bad and doubtful debts		-	974	-	-
Depreciation of non-current assets:					
— Plant & equipment		-	283	-	-
— Leased plant & equipment		-	5	-	-
Total depreciation		-	288	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 4: DISCONTINUED OPERATIONS

	Consolidated Group	
	2010 $000	2009 $000

On 22 January 2109, the consolidated group announced its decision to dispose the following subsidiaries:

- BBX Management Pty Ltd
- BBX Financial Solutions Ltd
- BBX Distributions Pty Ltd
- BBX Funds Management Ltd
- BBX Management Pty Ltd (NZ)
- BBX Real Estate Ltd
- Australia & New Zealand Investments Pty Ltd
- BBX International Ltd (HK)

This announcement was made subsequent to approval by the group's management and shareholders.

The subsidiaries were sold on 22 January 2010.

The financial performance of the discontinued operation to the date of sale which is included in profit/(loss) from discontinued operations per the income statement is as follows:

	2010 $000	2009 $000
Revenue	5,299	-
Expenses	(9,073)	-
Profit before income tax	(3,774)	-
Income tax expense	-	-
Profit/(loss) attributable to members of the parent entity	(3,774)	-
Profit/(loss) on sale before income tax	4,771	-
Income tax expense	-	-
Profit (loss) on sale after income tax	997	-
Total profit/(loss) after tax attributable to the discontinued operation	997	-

The net cash flows of the discontinuing division which have been incorporated into the statement of cash flows are as follows:

	2010 $000	2009 $000
Net cash inflow/(outflow) from operating activities	59	-
Net cash inflow from investing activities	-	-
Net cash (outflow)/inflow from financing activities	511	-
Net cash increase in cash generated by the discontinuing division	570	-

Gain on disposal of the division included in gain from discontinued operations per the income statement.

NOTE 5: KEY MANAGEMENT PERSONNEL COMPENSATION

a. **Names and positions held of consolidated and parent entity key management personnel in office at any time during the financial year are:**

Key Management Person	Position
Michael Touma	Managing Director
Mireille Touma	Administration Director
Carolin Macdonald	Chief Operating Officer
Tim Creasy	Chief Financial Officer & Company Secretary
Magali Russo	National Support Manager

Key management personnel remuneration has been included in the Remuneration Report section of the Directors Report

As of 30 June 2010, there are no options held by key management personnel.

NOTE 6: AUDITORS' REMUNERATION

	Consolidated Group		Parent Entity	
	2010 $000	2009 $000	2010 $000	2009 $000
Remuneration of the auditor of the parent entity for:				
— auditing or reviewing the financial report	18	183	18	20
— taxation services provided by related practice of auditor	-	22	-	-

NOTE 7: DIVIDENDS

	Consolidated Group		Parent Entity	
	2010 $000	2009 $000	2010 $000	2009 $000
Distributions paid	Nil	Nil	Nil	Nil
Balance of franking account at year end adjusted for franking credits arising from:				
payment of provision for income tax	Nil	78	-	-

NOTE 8: EARNINGS PER SHARE

		Consolidated Group	
		2010 $000	2009 $000
a.	Reconciliation of earnings to profit or loss		
	Profit/(loss)	896	(9,324)
	Profit/(loss) attributable to minority equity interest		
	Redeemable and converting preference share dividends		-
	Earnings used to calculate basic EPS	896	(9,324)
	Dividends on converting preference shares	-	-
	Earnings used in the calculation of dilutive EPS	896)	(9,324)
b.	Reconciliation of earnings to profit or loss from continuing operations		
	Profit/(loss) from continuing operations	(101)	(9,324)
	Profit attributable to minority equity interest in respect of continuing operations	-	)
	Earnings used to calculate basic EPS from continuing operations	(101)	(9,324)
	Earnings used in the calculation of dilutive EPS from continuing operations	(101)	(9,324)
c.	Reconciliation of earnings to profit or loss from discontinuing operations		
	Profit/(loss) from discontinuing operations	997	-
	Profit attributable to minority equity interest		-
	Redeemable and converting preference share dividends	-	-
	Earnings used to calculate basic EPS from discontinuing operations	997)	-
		No.	No.
d.	Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	72,552	76,036
	Weighted average number of options outstanding	-	3600
	Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	72,552	76,036
e.	Diluted earnings per share is not reflected for discontinuing operations as the result is anti-dilutive in nature		

NOTE 9: CASH AND CASH EQUIVALENTS

	Note	**Consolidated Group**		**Parent Entity**	
		2010 **$000**	**2009** **$000**	**2010** **$000**	**2009** **$000**
Cash at bank and in hand		-	10	-	-
		-	10	-	-

Reconciliation of cash

Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:

Cash and cash equivalents		-	10	-	-
Bank overdrafts	19	-	(580)	-	-
		-	(570)	-	-

NOTE 10: TRADE AND OTHER RECEIVABLES

	Note	**Consolidated Group**		**Parent Entity**	
		2010 **$000**	**2009** **$000**	**2010** **$000**	**2009** **$000**
CURRENT					
Trade receivables			1,020	-	-
Provision for impairment of receivables	10a(i)		(22)	-	-
			998	-	-
Sundry Debtors			-	-	10
			998	-	10
NON-CURRENT					
Amounts receivable from:					
— wholly-owned entities		-	-	-	1,308
— associated companies		-	21	-	92
— directors of parent entity		-	-	-	-
— other receivables		-	-	-	-
		-	21	-	1,400

a. **Provision For Impairment of Receivables**

Current trade and receivables are generally on 30 day terms. Non-current trade and receivables are assessed for recoverability based on the underlying terms of the contract. A provision for impairment is recognised when there is an objective evidence that an individual trade or receivable is impaired. These amounts have been included in the other expenses item.

Movement in the provision for impairment of receivables is as follows:

NOTE 10: TRADE AND OTHER RECEIVABLES (CONT'D)

		Opening Balance	Charge for the Year	Amounts Written Off	Closing Balance
		1.7.08			**30.6.09**
		$000	**$000**	**$000**	**$000**
	Consolidated Group				
(i)	Current trade receivables	551	850	(1,380)	22
		551	**850**	**(1,380)**	**22**

		Opening Balance	Charge for the Year	Amounts Written Off	Closing Balance
		1.7.09			**30.6.10**
		$000	**$000**	**$000**	**$000**
	Consolidated Group				
(i)	Current trade receivables	22		(22)	-
		22		**(22)**	**-**

NOTE 11: INVENTORIES

	Note	Consolidated Group		Parent Entity	
		2010 $000	**2009 $000**	**2010 $000**	**2009 $000**
CURRENT					
At cost		-	58	-	-
		-	58	-	-

NOTE 12: INVESTMENT STOCK

	Note	Consolidated Group		Parent Entity	
		2010 $000	2009 $000	2010 $000	2009 $000
Investment Stock		-	124	-	-
		-	124	-	-

NOTE 13: FINANCIAL ASSETS

	Note	Consolidated Group		Parent Entity	
		2010 $000	2009 $000	2010 $000	2009 $000
NON CURRENT					
Available-for-sale Financial Assets Comprise					
Listed investments, at fair value		631	2,538	631	2,538
		631	2,538	631	2,538
Unlisted investments, at cost					
— shares in controlled entities		-	-	-	396
— shares in unlisted public corporations		-	62	-	62
		-	62	-	458
Total available-for-sale financial assets		631	2,600	631	2,996

Available-for-sale financial assets comprise investments in the ordinary issued capital of various entities. There are no fixed returns or fixed maturity date attached to these investments.

NOTE 14: CONTROLLED ENTITIES

a. **Controlled Entities Consolidated**

	Country of Incorporation	Percentage Owned (%)*	
		2010	2009
Subsidiaries of BBX Holdings Ltd:			
BBX Management Ltd	Australia	Nil%	100%
BBX Financial Solutions Ltd	Australia	Nil%	100%
Barter Bonus Points Pty Ltd	Australia	Nil%	100%
BBX Management Ltd	New Zealand	Nil%	100%
BBX Distribution Pty Ltd	Australia	Nil%	100%
BBX Gold Coast Pty Ltd	Australia	100%	Nil%
BBX International Ltd	HK, China	Nil%	100%
BBX Funds Management Ltd	Australia	Nil%	50%
BBX Financial Advisors Pty Ltd	Australia	Nil%	50%
BBX Money Pty Ltd	Australia	Nil%	100%
BBX Real Estate Pty Ltd	Australia	Nil%	100%

** Percentage of voting power is in proportion to ownership*

b. On 22 January 2010, the parent entity disposed of its 100% interests in the following entities:

- BBX Management Pty Ltd
- BBX Financial Solutions Pty Ltd
- Barter Bonus Points Pty Ltd
- BBX Management Ltd (NZ)
- BBX Distribution Pty Ltd
- BBX International Ltd
- BBX Funds Management Pty Ltd
- BBX Financial Advisors Pty Ltd
- BBX Money Pty Ltd
- BBX Real Estate Pty Ltd

An operating profit of $996,552 after income tax was attributable to members of the parent entity from the disposal. No remaining interest in the entity was held by any member of the consolidated entity.

NOTE 15: OTHER CURRENT ASSETS

	Consolidated Group		Parent Entity	
	2010	**2009**	**2010**	**2009**
	$000	**$000**	**$000**	**$000**
CURRENT				
Deposits	-	11	-	-
Prepayments	-	140	-	-
Capitalised franchise expenses	-	12	-	-
	-	163	-	-

NOTE 16: PROPERTY, PLANT AND EQUIPMENT

	Note	Consolidated Group		Parent Entity	
		2010	**2009**	**2010**	**2009**
		$000	**$000**	**$000**	**$000**
PLANT AND EQUIPMENT					
Plant and equipment:					
At cost		-	1,475	-	-
Accumulated depreciation		-	(990)	-	-
Total Property, Plant and Equipment		-	485	-	-

a. **Movements in Carrying Amounts**

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year

	Plant and Equipment	Leased Plant and Equipment	Total
	$000	**$000**	**$000**
Consolidated Group:			
Balance at 1 July 2008	1,052	29	1,081
Additions	66	-	66
Disposals	(374)	-	(374)
Depreciation expense	(283)	(5)	(288)
Balance at 30 June 2009	461	24	485
Disposals	(461)	(24)	(485)
Balance at 30 June 2010	-	-	-

NOTE 17: INTANGIBLE ASSETS

	Consolidated Group		Parent Entity	
	2010	**2009**	**2010**	**2009**
	$000	**$000**	**$000**	**$000**
Goodwill				
Cost	-	5,709	-	-
Accumulated impaired losses	-	(5,005)	-	-
Net carrying value	-	704	-	-
Computer Software				
Cost	-	140	-	-
Accumulated amortisation and impairment	-	(133)	-	-
Net carrying value	-	7	-	-
Website Development				
Cost	-	503	-	-
Accumulated amortisation and impairment	-	(257)	-	-
Net carrying value	-	246	-	-
Total intangibles	-	957	-	-

	Goodwill	Computer Software	Website Development
	$000	**$000**	**$000**
Consolidated Group:			
Year ended 30 June 2009			
Balance at the beginning of year	5,152	21	212
Additions	557	-	171
Amortisation charge	(5,005)	(14)	(137)
	704	7	246
Year ended 30 June 2010			
Balance at the beginning of year	704	7	246
Additions			
Disposals	(704)	(7)	(246)
Amortisation charge			
Closing value at 30 June 2010	-	-	-

Intangible assets, other than goodwill, have finite useful lives. The current amortisation charges for intangible assets are included under depreciation and amortisation expense per the income statement.

Goodwill impairment in the Parent Entity has been reflected by a reduction in the carrying value in the non-current financial assets to which the goodwill relates.

NOTE 18: TRADE AND OTHER PAYABLES

	Note	Consolidated Group		Parent Entity	
		2010 $000	2009 $000	2010 $000	2009 $000
CURRENT					
Unsecured liabilities					
Trade payables		14	155	14	-
Sundry payables and accrued expenses		-	1,258		10
		14	1,413	14	10
NON-CURRENT					
Unsecured liabilities					
Directors		-	563	-	-
Other related parties		298	136	298	5
		298	699	298	5

NOTE 19: FINANCIAL LIABILITIES

	Note	Consolidated Group		Parent Entity	
		2010 $000	2009 $000	2010 $000	2009 $000
CURRENT					
Secured liabilities					
Bank overdrafts	19a	-	580	-	-
Bank loans	19a	-	127	-	-
Hire purchase liability		-	86	-	-
Lease liability		-	17	-	-
		-	810	-	-
NON-CURRENT					
Secured liabilities					
Bank loans	19a	-	114	-	-
Hire purchase liability		-	137	-	-
Lease liability		-	-	-	-
		-	251	-	-

NOTE 19: FINANCIAL LIABILITIES (CONT'D)

a. Total current and non-current secured liabilities:				
Bank overdrafts	-	580	-	-
Bank loans	-	241	-	-
Hire purchase liability	-	223	-	-
Lease liability	-	17	-	-
	-	1,061	-	-

NOTE 20: OTHER CURRENT LIABILITIES

	Note	Consolidated Group		Parent Entity	
		2010 $000	**2009 $000**	**2010 $000**	**2009 $000**
Barter System (trade exchange deficit)		-	1,496	-	2,890
		-	1,496	-	2,890

The above balance is denominated in BBX Trade Dollars

NOTE 21: PROVISIONS

Consolidated Group

	Short-term Employee Benefits	Long-term Employee Benefits	Total
	$000	$000	$000
Opening balance at 1 July 2009	146	97	243
Additional provisions			
Amounts used	(146)	(97)	(243)
Balance at 30 June 2010	-	-	-

Parent Entity

	Long-term Employee Benefits	Other	Total
	$000	$000	$000
Opening balance at 1 July 2009	-	-	-
Additional provisions	-	-	-
Amounts used	-	-	-
Balance at 30 June 2010	-	-	-

Analysis of Total Provisions

	Consolidated Group		Parent Entity	
	2010 $000	2009 $000	2010 $000	2009 $000
Current	-	146	-	-
Non-current	-	97	-	-
	-	243	-	-

Provision for Long-term Employee Benefits

A provision has been recognised for employee entitlements relating to long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits has been included in Note 1 to this report.

NOTE 22: ISSUED CAPITAL

	Consolidated Group		Parent Entity	
	2010	2009	2010	2009
	$000	$000	$000	$000
67,375,633 (2009: 76,035,953) fully paid ordinary shares	10,104	11,183	10,104	11,183
	10,104	11,183	10,104	11,183

	Consolidated Group		Parent Entity	
	2010 No.	2009 No.	2010 No.	2009 No.
a. **Ordinary shares**				
At the beginning of reporting period	76,035,953	76,035,953	76,035,953	76,035,953
Shares issued during the year	20,150		20,150	
Shares bought back during year				
— 5 February 2010	(8,770,320)		(8,770,320)	
At reporting date	67,375,633	76,035,953	67,375,633	76,035,953

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

b. Capital Management

Management controls the capital of the Group in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern.

The Group's debt and capital includes ordinary shares and financial liabilities, supported by financial assets.

There are no externally imposed capital requirements.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

NOTE 23 RESERVES

a **Foreign Currency Translation Reserve**

The foreign currency translation reserve records exchange differences arising on translation of a foreign controlled subsidiary.

b **Option Reserve**

The option reserve records items recognised as expenses on valuation of employee share options.

NOTE 24: CAPITAL AND LEASING COMMITMENTS

	Note	Consolidated Group		Parent Entity	
		2010 $000	**2009 $000**	**2010 $000**	**2009 $000**
a. **Finance Lease Commitments**					
Payable — minimum lease payments					
— not later than 12 months		-	112	-	-
— between 12 months and 5 years		-	142	-	-
— greater than 5 years		-	-	-	-
Minimum lease payments		-	254	-	-
Less future finance charges		-	(14)		
Present value of minimum lease payments	22	-	240	-	-
b. **Operating Lease Commitments**					
Non-cancellable operating leases contracted for but not capitalised in the financial statements					
Payable — minimum lease payments					
— not later than 12 months		-	388	-	-
— between 12 months and 5 years		-	885	-	-
— greater than 5 years		-	-	-	-
		-	1,273	-	-

NOTE 25: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

	Consolidated Group		Parent Entity	
	2010	**2009**	**2010**	**2009**
	$000	**$000**	**$000**	**$000**
Estimates of the potential financial effect of contingent liabilities that may become payable:				
Contingent Liabilities				
Litigation by American International Group				
Litigation fees as yet to be determined in relation to litigation now settled	-	50	-	50

NOTE 26: SEGMENT REPORTING

Although the Group's operations are conducted in Australia, Hong Kong and New Zealand, decision making personnel are primarily located in Australia. All key strategic decisions are made in this geographical region. It has therefore been deemed that the Group has only one business segment. As such, no additional Segment Reporting disclosures have been included in this report.

In the current year the Group is operating only in Australia

NOTE 27: RELATED PARTY TRANSACTIONS

	Consolidated Group		Parent Entity	
	2010	**2009**	**2010**	**2009**
	$000	**$000**	**$000**	**$000**
Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.				
Transactions with related parties:				
a. **Associated Companies**				
Rental paid to Touma Family Pty ltd	176,458	302,500	-	-

NOTE 28: FINANCIAL RISK MANAGEMENT

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and payable, loans to and from subsidiaries and leases.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	Consolidated Group		Parent Entity	
		2010 $000	2009 $000	2010 $000	2009 $000
Financial Assets					
Cash and cash equivalents	9		10		
Loans and receivables	10		1,019		1,410
Available-for-sale financial assets at fair value:					
– listed investments	13	631	2,538	631	2,538
– unlisted investments	13		62		458
Total available-for-sale financial assets	13	631	2,600	631	2,996
Total Financial Assets		631	3,629	631	4,406
Financial Liabilities					
Financial liabilities at amortised cost					
— Trade and other payables	18	312	2,112	312	15
— Borrowings	19,20		2,557		2,890
Total Financial Liabilities		312	4,669	312	2,905

Financial Risk Management Policies

The overall risk management strategy seeks to assist the consolidated group in meeting its financial targets, while minimising potential adverse effects on financial performance. Its functions include the review of the use of hedging derivative instruments, credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk.

a. **Credit risk**

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

The group is not exposed to any credit risk.

b. **Liquidity risk**

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- preparing forward looking cash flow analysis in relation to its operational, investing and financing activities;
- monitoring undrawn credit facilities;
- obtaining funding from a variety of sources;

NOTE 28: FINANCIAL RISK MANAGEMENT

financing activities;

- monitoring undrawn credit facilities;
- obtaining funding from a variety of sources;
- managing credit risk related to financial assets;

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward.

Financial Liability and Financial Asset Maturity Analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2010	2009	2010	2009	2010	2009	2010	2009
Consolidated Group	$000	$000	$000	$000	$000	$000	$000	$000
Financial liabilities due for payment								
Bank overdrafts and loans		2,203		114				2,317
Hire purchase liability		86		137				223
Lease liability		17						17
Trade and other payables (excluding est. annual leave)	14	1,413	298	699			312	2,736
Total contractual outflows	14	3,719	298	950			312	5,293
less bank overdrafts		2,203		251				2,454
Total expected outflows	14	1,516	298	699			312	2,839
Financial assets — cash flows realisable								
Cash and cash equivalents		10						10
Trade, term and loans receivables		998		21				1,019
Available- for- sale Investments			631	2600				3,231
Total anticipated inflows		1,008	631	2621				4,260
Net (outflow)/inflow on financial instruments	(14)	(508)	333	1922			(312)	1421

	Within 1 Year		1 to 5 Years		Over 5 Years		Total contractual cash flow	
	2010	2009	2010	2009	2010	2009	2010	2009
Parent Entity	$000	$000	$000	$000	$000	$000	$000	$000
Financial liabilities due for payment								
Bank overdrafts and loans		2,890						2,890
Trade and other payables (excluding est. annual leave)	14	10	298	5			312	15
Amounts payable to related parties								
Total contractual outflows	14	2,900	298	5			312	2,905
less bank overdrafts		2,890						2,890
Total expected outflows	14	10	298	5			312	15
Financial assets — cash flows realisable								
Trade, term and loans receivables		10		1,400				1,410
Total anticipated inflows		10		1,400				1,410
Net (outflow)/inflow on financial instruments	(14)	-	(298)	1,395			(312)	1,395

c. Market Risk

i. *Interest rate risk*

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

The Group is not exposed to any interest rate risk

ii. *Foreign exchange risk*

Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which financial instruments are held.

The group is not exposed to any foreign exchange rate risk

iii. *Price risk*

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices largely due to demand and supply factors for commodities

The group is not exposed to any price risk.

Net Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices

Fair values of assets and liabilities at 30 June 2010 equate to the carrying values of those assets and liabilities at balance date

NOTE 29: EVENTS AFTER THE BALANCE SHEET DATE

(i) On 8 September 2010, the company undertook a fully underwritten non-renounceable right issue on the basis of 2 new shares for every 3 shares held at an issue price of $0.01 to raise approximately $450,000. The proceeds from Right issue will be used to identify and review new projects, satisfy creditor claims, general working capital purposes, and to meet the costs of right issue.

(ii) On 18 August 2010 ebbx assigned the debt of $200,000 due to them by BBX Holding to Arthur Phillip Pty Limited by way of a deed of assignment

NOTE 30: COMPANY DETAILS

The registered office of the company is:

Level 33, 52 Martin Place Sydney NSW 2000

The principal place of business is:

Level 33, 52 Martin Place Sydney NSW 2000

DIRECTORS' DECLARATION

The directors of the company declare that:

1. the financial statements and notes, as set out on pages 8 to 43, are in accordance with the *Corporations Act 2001* and:

    a. comply with Accounting Standards; and

    b. give a true and fair view of the financial position as at 31 December 2009 and of the performance for the year ended on that date of the company and consolidated group;

2. the Chief Executive Officer and Chairman have each declared that:

    a. the financial records of the company for the financial year have been properly maintained in accordance with s 286 of the *Corporations Act 2001*;

    b. the financial statements and notes for the financial year comply with the Accounting Standards; and

    c. the financial statements and notes for the financial year give a true and fair view;

3. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

At the date of this declaration, there are reasonable grounds to believe that the companies which are party to this deed of cross guarantee will be able to meet any obligations or liabilities to which they are, or may become subject to, by virtue of the deed.

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

Director ……………………………………………………………………………………………………….

Paul Page

Dated this 28 day of September 2010

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INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF BBX HOLDING LIMITED

Scope

Report on the Financial Report

We have audited the accompanying financial report comprising the statement of comprehensive income statement, the statement of financial position, statement of changes in equity, statement of cash flows, accompanying notes to the financial statements and the directors' declaration for BBX Holding Limited (the company) and BBX Holding Limited and its Controlled Entities (the consolidated entity) for the year ended 30 June 2010. The consolidated entity comprises both 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 the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the 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 and 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 AASB 101; .Presentation of Financial Statements that the financial statements comply with International Financial Reporting Standards in their entirety

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have 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.

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 of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation 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 evaluation the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence that 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*.

Audit Opinion

In our opinion,

(a) the financial report of BBX Holding Limited and its controlled entities is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the company's and the consolidated entity's financial position as at 30 June 2010 and of its their performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards (including Australian Accounting interpretations) and with the Corporations Regulations 2001; and

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

Report on Remuneration Report

We have audited the Remuneration Report included in pages 3 to 5 of the report of the directors for the year ended 30 June 2010. The Directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with s 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

In our opinion the Remuneration Report of Name Limited for the year ended 30 June 2010, complies with s 300A of the *Corporations Act 2001*.

Robert Nielson Partners

Robert Nielson **Date 28 September 2010**