



**BBX HOLDINGS LIMITED**  
ACN 089 221 634

**ANNUAL REPORT**  
**2011**

## CORPORATE DIRECTORY

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### BBX HOLDINGS LIMITED

#### Registered Office

Level 33, 52 Martin Place  
Sydney NSW 2000

Telephone: +61 (2) 9227 8900

Fax: +61 (2) 9227 8901

#### Directors

Paul Lewis Page (appointed 31 August 2010)  
Michael John Hogg (appointed 10 September 2010)  
Philip Suriano (appointed 29 November 2010)  
Michael Leon Schmulian (appointed 12 April 2011)  
Michael Touma (resigned 29 November 2010)  
Carolyn Macdonald (resigned 10 September 2010)

#### Secretary

Sylvie Dimarco (appointed 1 September 2010)  
Tim Creasy (resigned 29 November 2010)

#### Auditors

Robert Nielson Partners  
Level 7, 280 George Street  
Sydney NSW 2000

#### Banker

NAB  
George Street  
Sydney NSW 2000

#### Solicitors

Fairweather Corporate Lawyers  
Ground Floor  
1 Havelock Street  
West Perth WA 6005

#### Share Registry

Boardroom Pty Limited  
Level 7, 207 Kent Street  
Sydney NSW 2000

#### Stock Exchange Listing

BBX Holdings Limited shares are listed on the  
Australian Stock Exchange.  
ASX Code: BBX

#### Annual General Meeting

11 November 2011

### BBX GROUP OF COMPANIES

BBX Holdings Limited  
ACN 089 221 634

BBX Gold Coast Pty Ltd  
ACN 117 239 817

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## CHAIRMAN'S MESSAGE

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Dear Shareholders,

I take this opportunity to present the Company's Annual Report for the financial year ended 30 June 2011.

BBX's strategy to create shareholder value is twofold. The Company plans to quickly test the potential of the Ouro Belo zone in Brazil for a shallow target body of tin and indium mineralisation and through the acquisition and development of further quality mineral properties.

The Company has reviewed numerous potential projects during the past 12 months. Initially many of those projects presented as having significant potential however after preliminary due diligence BBX decided to withdraw from discussions.

The Company is now in the advanced stages of the review of a number of highly prospective mineral properties in Peru and Brazil which may lead to further project acquisitions. We are focused on projects that will provide the Company with a combination of near term cash flow and substantial exploration upside.

If due diligence is successful and the Company elects to proceed, the ASX has indicated that the Company will be required to re-comply with Chapters 1 and 2 of the listing rules as if it were applying for quotation for the first time.

The Company expects to be in a position to announce details of new projects in the coming weeks.

I would like to thank our shareholders for their continued support. We look forward to an exciting year ahead.



Paul Page  
Chairman

## CORPORATE GOVERNANCE STATEMENT

BBX Holdings Limited (Company) and its Board of Directors is responsible for the governance of the Company in accordance with the *Principles of Good Corporate Government and Best Practice Recommendations* issued by the Australian Stock Exchange Governance Council.

ASX Listing Rule 4.10 requires a company to provide a statement in its Annual Report of the extent to which the Company has followed the ASX's *Principles of Good Corporate Government and Best Practice Recommendations*. Where the Company has not followed all of the recommendations, it must identify which of the recommendations have not been followed and the reasons for not following them.

The following table refers to each of the Principles recommended by the Governance Council. Where the Company complies with the principle during the reporting period "Yes" appears in the compliance column.

Where the Company does not comply "No" appears in the compliance column and the reason for non-compliance appears below.

Corporate Governance Principle	Recommendation	ASX Principle	Compliance	Note
Lay solid foundations for management and oversight	1.1	Formalise and disclose the functions reserved to the Board and those delegated to management.	Yes	1
Structure the Board to add value	2.1	A majority of the Board should be independent directors.	Yes	2
	2.2	The Chairperson should be an independent director.	No	2
	2.3	The roles of Chairperson and Chief Executive Officer should not be exercised by the same person.	No	2
	2.4	The Board should establish a Nomination Committee.	No	2
Promote ethical and responsible decision making	3.1	Establish a code of conduct to guide the directors, the chief executive officer, the chief financial officer any other key executives to:		
		3.1.1 the practices necessary to maintain confidence in the company's integrity;	Yes	3
	3.1.2 the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	Yes	3	
	3.2	Establish a policy concerning diversity	Yes	3
Safeguard integrity in financial reporting	4.1	The board should establish an audit committee	No	4
	4.2	Structure the audit committee so that it:		
		consists of only of non-executive directors	No	4
		consists of a majority of independent directors	No	4
		is chaired by an independent chair, who is not chair of the board	No	4
has at least three members	No	4		
4.3	The audit committee should have a formal charter.	Yes	4	

## CORPORATE GOVERNANCE STATEMENT (CONTINUED)

Corporate Governance Principle	Recommendation	ASX Principle	Compliance	Note
Make timely and balanced disclosure	5.1	Establish written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior management level for that compliance.	Yes	5
Respect the rights of shareholders	6.1	Design and disclose a communications strategy to promote effective communication with shareholders and encourage effective participation at general meetings.	Yes	6
	6.2	Request the external auditor to attend the annual general meeting and be available to answer shareholder about the conduct of the audit and the preparation and content of the auditor's report.	Yes	6
Recognise and manage risk	7.1	The Board or appropriate board committee should establish policies on risk oversight and management	Yes	7
	7.2	The chief executive officer and the chief financial officer (or equivalent) should state to the board in writing that		
	7.2.1	the statement give in accordance with best practice recommendation 4.1 is founded of risk management and on a sound system internal compliance and control which implements the policies adopted by the Board.	Yes	7
	7.2.2	the company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.	Yes	7
Remunerate fairly and responsibly	8.1	The Board should establish a remuneration committee	No	8
	8.2	Structure the remuneration committee so that it:		
		consists of a majority of independent directors	No	8
		is chaired by an independent chair	No	8
8.3	has at least three members	No	8	
	8.3	Clearly distinguish the structure of non-executive directors' remuneration from that of executives.	Yes	8

### Notes

#### 1. The Board of Directors

The Board of Directors carries out its responsibilities according to the following mandate:

- overseeing the Company, including its control and accountability systems.
- the appointment and removal of Directors, Company Secretary and senior management.
- providing input into and final approval of management's development of corporate strategy and performance objectives.
- reviewing, ratifying and monitoring systems of risk management and internal control, codes of conduct, and legal compliance.
- approving and monitoring financial and other reporting.
- monitoring the performance of management and implementation of strategy, and ensuring appropriate resources are available.

## CORPORATE GOVERNANCE STATEMENT (CONTINUED)

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### 2. Composition of the Board

The names of the directors of the Company in office at the date of this Statement are set out in the Director's Report of this financial report.

A majority of the Board are independent directors. The Board is comprised of four directors, three are independent. The other one director is acting as Executive Chairman. The Board has arrived at this ratio having regard to the nature and size of the Company, its business and stage of development.

The Board believes that even though the Chairman is not an independent director, the Chairman is able to make quality and independent judgement on all relevant issues falling within the scope of the role of a Chairman.

The roles of Chairman and Chief Executive Office are currently exercised by the same individual and believed to be appropriate at this stage in the Company's development.

The Board decided, given the nature and size it is impractical to establish the Nomination committee. The Board as a whole is responsible for ensuring implementation of the company's policies in this area.

### 3. Code of conduct

The Board endeavours to ensure that the Directors, officers and employees of the Company act with integrity and observe the highest standards of behaviour and business ethics in relation to their corporate activities.

#### (a) Ethical Standards

Specifically, that Directors, officers and employees must:

- Comply with the law;
- Act in the best interests of the Company;
- Be responsible and accountable for their actions; and
- Observe the ethical principles of fairness, honesty and truthfulness, including disclosure of potential conflicts.

#### (b) Diversity

The Board is committed to having an appropriate blend of diversity on the Board. It recognises the benefits arising from Board diversity and the importance of benefiting from all available talent. Accordingly, the company will establish a diversity policy. The Company does not have any women on the Board at present.

The policy will outline requirements for the Board to develop measureable objectives for achieving diversity and will annually assess both objectives and the progress in achieving those objectives.

## CORPORATE GOVERNANCE STATEMENT (CONTINUED)

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### 4. Audit Committees

The Board decided, given the nature and size it is impractical to establish the Audit committee. The Board as a whole is responsible for ensuring implementation of the company's policies in this area.

### 5. Compliance Matters

The Company has established procedures designed to ensure compliance with the ASX Listing Rules so that Company announcements are made in a timely manner, are factual, do not omit material information and are expressed in a clear and objective manner that allows investors to assess the impact of the information when making investment decisions.

### 6. Role of shareholders

The Board is responsible for the communications strategy to promote effective communications with shareholders and encourage effective participation at general meetings. The Company adheres to best practices in its preparation of Notices of meetings to ensure all shareholders are fully informed.

The Board aims to ensure that the shareholders are informed of all major developments affecting the consolidated entity's state of affairs.

The Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and identification with the consolidated entity's strategy and goals. Important issues are presented to the shareholders as single resolutions.

The shareholders are requested to vote on the appointment and aggregate remuneration of directors, granting of options and shares to directors and changes to the Constitution.

The external auditor attends the annual general meeting and is available to answer shareholder's queries about the conduct of the audit and the preparation and content of the auditor's report.

### 7. Business Risk Management

The Board constantly monitors the operation and financial aspects of the Company's activities and consider the recommendations and advice of external auditors on the operations and financial risks that face the Company.

The Board ensures that recommendation made by the external auditors are investigated and, where considered necessary, appropriate action is taken to ensure that the Company has an appropriate internal control environment in place to manage the key risks identified

In addition, the Board investigates ways of enhancing risk management strategies, including appropriate segregation of duties and the employment and training of suitably qualified and experiences personnel.



## CORPORATE GOVERNANCE STATEMENT (CONTINUED)

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Comprehensive practices are established such that:

- Capital expenditure and revenue commitments above a certain size require prior Board approval;
- Occupational health and safety standards and management systems are monitored and reviewed to achieve high standards of performance and compliance with regulations; and
- Business transactions are properly authorised and executed.

Due to the Company's current size and extent of operations, the following departures from the Principle of Good Corporate Governance and Best Practice Recommendations have occurred:

- The Company does have a Chief Financial Officer and therefore statements are not obtained from such persons in relation to Best Practice Recommendation 4.1.

### 7. Internal Control Framework

The Board acknowledges that it is responsible for the overall internal control framework, but recognises that no cost effective internal control system will preclude all errors and irregularities. To assist in discharging this responsibility, the Board has instigated an internal control framework that can be described under the following headings:

- Financial reporting - ensure financial reporting accuracy and compliance with financial reporting regulatory framework.
- Continuous disclosures - the consolidated entity has a policy that all shareholders and investors have equal access to the Company's information and has procedures to ensure that all price sensitive information is disclosed to the ASX in accordance with the continuous disclosure requirements of the Corporations Law and ASX Listing Rules.
- Quality and integrity of personnel
- Internal audit - the Company does not have an internal audit function but utilises its financial resources as needed to assist the Board in ensuring compliance with internal controls.

### 8. Remuneration Committees

The Board decided, given the nature and size it is impractical to establish the Remuneration committee. The Board as a whole is responsible for ensuring implementation of the company's policies in this area.

Remuneration levels are competitively set to attract and retain qualified and experience directors, executives and staff.

## DIRECTORS REPORT

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Your directors present their report on the Company and its controlled entities for the financial year ended 30 June 2011.

### Directors

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

Paul Page (appointed 31 August 2010)  
Michael Hogg (appointed 10 September 2010)  
Philip Suriano (appointed 29 November 2010)  
Michael Schmulian (appointed 12 April 2011)  
Michael Touma (resigned 29 November 2010)  
Carolyn Macdonald (resigned 10 September 2010)

### Company Secretary

Sylvie Dimarco LLB, CSA (Cert) was appointed as Joint Company Secretary on 1 September 2010.  
Tim Creasy (resigned 29 November 2010)

### Principal Activities

BBX Holdings Limited is a barter trading company, facilitating cashless trading of goods and services between member businesses. The BBX Sydney franchise business traded cash neutral on revenue of \$773,785 for the financial year. At the appropriate time the Company intends to divest of its interest in the Sydney franchise and will seek shareholder and regulatory approval to formally make the transition to a resource company.

### Operating Results

The consolidated loss of the group after providing for income tax amounted to (\$856,029).

### 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 2011:

Net Profit (Loss)	(\$856,029)
Gross Revenue:	\$785,076

## DIRECTORS REPORT (CONTINUED)

Cash position:	2011	2010
	\$	\$
Net increase (Decrease) in cash held	725	570
Cash at 1 July	NIL	(570)
Cash at 30 June	<u>725</u>	<u>NIL</u>
Net movement in trade dollars:	NIL	1,496
Trade dollar balance at 1 July	NIL	(1,496)
Trade dollar balance at 30 June	<u>NIL</u>	<u>NIL</u>

### Significant Changes in State of Affairs

The following significant changes in the state of affairs occurred during the financial year:

- (i) On 18 October 2010, the Company issued 44,917,089 ordinary shares at \$0.01 each on the basis of 2 shares for every 3 held.
- (ii) On 18 April 2011, the Company issued 2,000,000 ordinary shares to Crusader Resources Limited in consideration for providing the option for BBX to earn up to 75% of the Ouro Belo tin-indium project in Goias, Brazil.
- (iii) On 4 May 2011, the Company issued an additional 14,800,000 ordinary shares at \$0.05 each to shareholders.

### 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

Having successfully completed legal due diligence on Ouro Belo, the Company has commenced technical due diligence including a sampling program with results pending. The company's geologists completed a sampling program, identified high priority targets and are scheduling a drilling program for further due diligence assessment. Details of the drilling program and results from sampling are to be announced at a later date.

In relation to the BBX Sydney franchise business, the business traded cash neutral on revenue of \$773,785 for the financial year. At the appropriate time the company intends to divest of its interest in the Sydney franchise and will seek shareholder approval to formally make the transition to a resource company.

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.

## DIRECTORS REPORT (CONTINUED)

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### Information on Directors

Paul Page	- Executive Chairman
Qualifications	- B Bus MIACD
Experience	Appointed director in September 2010. 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. 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.
Interest in Shares	22,645,001 ordinary shares held by other entity beneficially owned by a company in which Mr Page is the director.
Other Directorships	<ul style="list-style-type: none"> <li>- Current Directorships: <ul style="list-style-type: none"> <li>- Director, Arthur Phillip Pty Ltd</li> </ul> </li> <li>- Former Directorships of Listed Entities in last 3 years: <ul style="list-style-type: none"> <li>- Director, Stirling Resources Limited</li> </ul> </li> </ul>
Michael Hogg	- Non-Executive Director
Experience	Michael is the former Australian Chief Executive Officer of The Cobra Group Pty Ltd, which is part of a direct sales organisation with over 10,000 sales representatives in 20 countries worldwide.
Interest in Shares	Nil
Other Directorships	<ul style="list-style-type: none"> <li>- Current Directorships: <ul style="list-style-type: none"> <li>- Non-Executive Director, Australian Power &amp; Gas Company Limited and Firstfolio Limited</li> </ul> </li> <li>- Former Directorships of Listed Entities in last 3 years: Nil</li> </ul>
Philip Suriano	- Non-Executive Director
Qualifications	- B Bus, Bkg & Fin, Monash
Experience	Mr Suriano began his career in corporate banking with the Commonwealth Bank. Mr Suriano spent 16 years in senior positions within the Australian Media Industry. Mr Suriano has gained wide knowledge and experience to give him a strong background in operations, sales and marketing . For the past 8 years Mr Suriano has been working with Arthur Phillip, a boutique investment house where he is Division Director, Equity Capital Markets.

## DIRECTORS REPORT (CONTINUED)

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Interest in Shares	3,000,000 ordinary shares held by other entity beneficially owned by a company in which Mr Suriano is a director.
Other Directorships	<ul style="list-style-type: none"> <li>- Current Directorships: <ul style="list-style-type: none"> <li>- Laserbond Limited, Resources &amp; Energy Group Limited and Adavale Resources Limited</li> </ul> </li> <li>- Former Directorships of Listed Entities in last 3 years: <span style="float: right;">Nil</span></li> </ul>
Michael Schmulian	- Non-Executive Director
Qualifications	- B Science Honours, University of Witwatersrand and Master of Science, University of Leicester
Experience	Mr Schmulian is a geologist with almost 40 years of mining and exploration experience. His experience includes 21 years in Brazil where he has established a strong network of contacts throughout the industry. He is the former Brazil Country Manager for Western Mining Corporation charged with managing the implementation and operations of two gold mines, South America brownfields Exploration Manager for AngloGold Ashanti and was Executive Director of ASX-listed Mundo Minerals, responsible for establishing Mundo in Brazil and Peru and bringing the company's Engenho Gold Mine into production. Mr Schmulian is currently COO of ASX-listed Crusader Resources and is a Fellow of the Aus.IMM.
Interest in Shares	2,350,000 ordinary shares
Other Directorships	<ul style="list-style-type: none"> <li>- Current Directorships: <span style="float: right;">Nil</span></li> <li>- Former Directorships of Listed Entities in last 3 years: <ul style="list-style-type: none"> <li>- Executive Director, Mundo Minerals Limited</li> </ul> </li> </ul>
Sylvie Dimarco	- Company Secretary
Qualifications	LLB, CSA (Cert)
	<p>The Company Secretary at the date of this report is Ms Sylvie Dimarco. Ms Dimarco was appointed Company Secretary on 1 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 is a Certificated Member of Chartered Secretaries of Australia. Ms Dimarco has experience in commercial, property and corporations law. Ms Dimarco is also a Company Secretary of Resources &amp; Energy Group Limited and Adavale Resources Limited.</p> <p>For the past four years Ms Dimarco has been working as the Compliance Officer of Arthur Phillip, an investment house and corporate advisor.</p>

## DIRECTORS REPORT (CONTINUED)

### Directors Meetings

Director	Date Appointed	Date Retired/ Resigned	Board Meetings	
			A	B
Michael Schmulian	12.04.11		-	-
Philip Suriano	29.11.10		4	4
Michael Hogg	10.09.10		4	4
Paul Page	02.09.10		9	9
Michael Touma	24.08.99	29.11.10	3	3
Carolyn MacDonald	17.10.04	10.09.10	3	3

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

B = Number of Meetings attended by Director

The Directors meet on an informal basis between board meetings.

### 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 of 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.

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.

## DIRECTORS REPORT (CONTINUED)

The Board's 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.

### 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 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 2011

The remuneration for each director of the consolidated entity receiving remuneration during the year was as follows:

#### Directors

Director	Salary & fees	Super Contrib'n	Cash Bonus	Non-cash benefits	Total	Performance Related %
Carolyn Macdonald	-	-	-	-	-	
Michael Touma	-	-	-	-	-	
Paul Page	\$155,100	-	-	-	\$155,100	
Michael Hogg	\$19,333	-	-	-	\$19,333	
Philip Suriano	\$14,067	-	-	-	\$14,067	
Michael Schmulian	\$5,200	-	-	-	\$5,200	

### Share Options Granted to Directors and Specified Executives

The Company has agreed to issue Mr Michael Schmulian with 2 million options exercisable at 5c each expiring 30 June 2014. The first 1 million options will vest in 12 months and the other 1 million options will vest in 24 months from date of appointment.

The issue of these options will be subject to shareholder approval.

### 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 REPORT (CONTINUED)

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### 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 2001*. 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 2011 is attached at page 18

### 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 26 September 2011.



Paul Page

Chairman

27 September 2011



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

I declare that to the best of my knowledge and belief, during the year ended 30 June 2011, 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 30 September 2011**

BBX HOLDINGS LIMITED ABN 82 089 221 634  
and Controlled Entities

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR YEAR ENDED 30 JUNE 2011**

	Note	Consolidated Group	
		2011	2010
		\$000	\$000
Revenue	2	774	1,059
Gain on sale of subsidiary		-	1,065
Adjustment - Share Investment		-	287
Interest received	2	11	-
		785	2,411
Employee benefits expenses		-	(7)
Depreciation and amortisation expense		(1)	-
Accounting fees		(4)	-
Auditors remuneration	5	(18)	(18)
Consultancy fees		(31)	-
Impairment of listed shares		(465)	(1,244)
Legal and professional fees		(30)	(150)
Management fee		(774)	(1,059)
Office expenses		(4)	-
Registry costs		(22)	-
Rent		(11)	-
Travelling and trade promotion expenses		(36)	-
Directors fees		(194)	-
Other expenses		(51)	(34)
<b>Profit/(loss) before income tax</b>	3	<b>(856)</b>	<b>(101)</b>
Income tax expense		-	-
<b>Profit/(loss) from continuing operations after income tax expense</b>		<b>(856)</b>	<b>(101)</b>
<b>Other comprehensive income/(loss)</b>			
Profit from discontinued operations		-	997
<b>Total comprehensive income for the year</b>		<b>(856)</b>	<b>896</b>
Diluted earnings per share (cents per share)	7	(0.84)	1.23
Continuing Operations			
Basic earnings per share (cents per share)		(0.84)	(0.14)
Diluted earnings per share (cents per share)	7	(0.84)	(0.14)

The accompanying notes from part of these financial statements

BBX HOLDINGS LIMITED ABN 82 089 221 634  
and Controlled Entities

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2011**

	Note	Consolidated Group	
		2011	2010
		\$000	\$000
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	8	725	-
Financial assets	9	166	631
<b>TOTAL CURRENT ASSETS</b>		891	631
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	11	2	-
Other	12	150	-
<b>TOTAL NON-CURRENT ASSETS</b>		152	-
<b>TOTAL ASSETS</b>		<b>1,043</b>	<b>631</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	81	14
<b>TOTAL CURRENT LIABILITIES</b>		81	14
<b>NON-CURRENT LIABILITIES</b>			
Trade and other payables	13	220	298
<b>TOTAL NON-CURRENT LIABILITIES</b>		220	298
<b>TOTAL LIABILITIES</b>		<b>301</b>	<b>312</b>
<b>NET ASSETS</b>		<b>742</b>	<b>319</b>
<b>EQUITY</b>			
Issued capital	14	11,383	10,104
Accumulated losses		(10,641)	(9,785)
Parent interest		742	319
<b>TOTAL EQUITY</b>		<b>742</b>	<b>319</b>

The accompanying notes from part of these financial statements

BBX HOLDINGS LIMITED ABN 82 089 221 634  
and Controlled Entities

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2011**

Consolidated Group	Note	Share Capital Ordinary \$000	Accum- ulated Losses \$000	Foreign Exchange Reserve \$000	Minority Equity Interest \$000	Total \$000
<b>Balance at 1.7.2009</b>		11,183	(10,657)	7	(30)	503
Profit/(loss) attributable to members of parent entity			865			865
Profit attributable to minority shareholders					30	30
Shares issued during the year		20				20
Shares bought back during the year		(1,099)				(1,099)
Transfer from foreign exchange reserve to retained earnings			7	(7)		
<b>Subtotal</b>		10,104	(9,785)	-	-	319
Dividend paid or provided for						
<b>Balance at 30.06.2010</b>		10,104	(9,785)	-	-	319
Profit/(loss) attributable to members of parent entity			(856)		-	856
Shares issued during the year		1,339				1,339
Capital costs		(60)				(60)
<b>Balance at 30.6.2011</b>		11,383	(10,641)	-	-	742

The accompanying notes form part of these financial statements.

BBX HOLDINGS LIMITED ABN 82 089 221 634  
and Controlled Entities

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR YEAR ENDED 30 JUNE 2011**

	Note	Consolidated Group	
		2011	2010
		\$000	\$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		774	3,602
Payments to suppliers and employees		(1,106)	(3,365)
Interest received		11	-
Finance costs		-	(178)
Net cash provided by (used in) operating activities	17	(321)	59
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(3)	-
Net cash provided by (used in) investing activities		(3)	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issues of shares, options, etc.		1,097	-
Proceeds from borrowings		12	718
Repayment of borrowings		-	(207)
Other (Cost of Capital Raising)		(60)	-
Net cash provided by (used in) financing activities		1,049	511
Net increase in cash held		725	570
Cash at beginning of financial year		-	(570)
Cash at end of financial year	8	725	-

The accompanying notes form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011**

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'). The separate financial statements and notes of the parent entity of BBX Holdings Limited, have not been presented within the financial report as permitted by the *Corporations Act 2001*. The financial statements were authorised for issue on 26 September 2011 by the directors of the Company.

**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 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 10 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.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**(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.

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) 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.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**(c) Plant and Equipment (continued)**

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 greater than its estimated recoverable amount.

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

**(d) 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.



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**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*

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.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 statement of comprehensive income.

**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 the statement of comprehensive income.

**(e) 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.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**(f) Segment reporting**

As of 1 July 2009 the company presents operating segments based on information reported internally. Due to the adoption of IFRS 8 Operating Segments, the account policy was changed in respect of segment operating disclosures.

Comparative segment information has been re-presented in conformity with the transitional requirements of the standard. Since the change in accounting policy only impacts presentation and disclosure aspects there is no impact on earnings per share.

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relates to transaction with any of the Company's other components.

Unallocated items comprising mainly of head office assets, expenses and liabilities.

**(g) 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 relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period.

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)

**(h) 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.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**(i) Exploration and Development Expenditure**

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

**(j) Comparative Figures**

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

**(k) 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.

**(l) 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.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**(m) 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 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.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- 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 Issue [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.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- 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.

**(n) BBX Trade Dollars**

BBX Sydney Franchise uses BBX trade dollars to pass value between internal accounts. One BBX trade dollar (BBX\$) equals one A\$.

BBX HOLDINGS LIMITED ABN 82 089 221 634  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011**

NOTE 2: REVENUE

	<b>Consolidated Group</b>	
	<b>2011</b>	<b>2010</b>
	<b>\$000</b>	<b>\$000</b>
Sales revenue		
- service fees	774	1,059
- interest received	11	-
Total Revenue	785	1,059
Other Income		
gains on disposal of controlled entity	-	1,065
gain on revaluation of share investments	-	287
Interest revenue from other persons:	-	1,352
Total revenue and other income from continuing operations	785	2,411
Revenue and other income from discontinuing operations	-	5,299

NOTE 3: LOSS FOR THE YEAR

	<b>Consolidated Group</b>	
	<b>2011</b>	<b>2010</b>
	<b>\$000</b>	<b>\$000</b>
<b>a. Expenses</b>		
Management fee	(774)	(1,059)
Impairment of shares	(465)	(1,244)
Depreciation of non-current assets:		
- Plant & equipment	(1)	-
Total depreciation	(1)	-



BBX HOLDINGS LIMITED ABN 82 089 221 634  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011**

**NOTE 4: 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:

<b>Key Management Person</b>	<b>Position</b>
Michael Touma (resigned 29 November 2010)	Managing Director
Carolin Macdonald (resigned 10 September 2010)	Administration Director
Tim Creasy (resigned 29 November 2010)	Chief Financial Officer & Company Secretary
Paul Page (appointed 31 August 2010)	Executive Chairman
Michael Hogg (appointed 10 September 2010)	Non-Executive Director
Philip Suriano (appointed 29 November 2010)	Non-Executive Director
Michael Schmulian (appointed 12 April 2011)	Non-Executive Director

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

As of 30 June 2011, there are no options held by key management personnel.

**NOTE 5: AUDITORS' REMUNERATION**

	<b>Consolidated Group</b>	
	<b>2011</b>	<b>2010</b>
	<b>\$000</b>	<b>\$000</b>
Remuneration of the auditor of the parent entity for:		
- auditing or reviewing the financial report	18	18

**NOTE 6: DIVIDENDS**

	<b>Consolidated Group</b>	
	<b>2011</b>	<b>2010</b>
	<b>\$000</b>	<b>\$000</b>
Distributions paid	Nil	Nil
Balance of franking account at year end adjusted for franking credits arising from: payment of provision for income tax	Nil	Nil

BBX HOLDINGS LIMITED ABN 82 089 221 634  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011**

NOTE 7: EARNINGS PER SHARE

	<b>Consolidated Group</b>	
	<b>2011</b>	<b>2010</b>
	<b>\$000</b>	<b>\$000</b>
a. Reconciliation of earnings to profit or loss		
Profit/(loss)	(856)	896
Earnings used to calculate basic EPS	(856)	896
Earnings used in the calculation of dilutive EPS	(856)	896
b. Reconciliation of earnings to profit or loss from continuing operations		
Profit/(loss) from continuing operations	(856)	(101)
Earnings used to calculate basic EPS from continuing operations	(856)	(101)
Earnings used in the calculation of dilutive EPS from continuing operations	(856)	(101)
c. Reconciliation of earnings to profit or loss from discontinuing operations		
Profit/(loss) from discontinuing operations	-	997
Earnings used to calculate basic EPS from discontinuing operations	-	997
	<b>No.</b>	<b>No.</b>
d. Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	101,636	72,552
Weighted average number of options outstanding	-	-
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	101,636	72,552

NOTE 8: CASH AND CASH EQUIVALENTS

	<b>Consolidated Group</b>	
	<b>2011</b>	<b>2010</b>
	<b>\$000</b>	<b>\$000</b>
Cash at bank and in hand	725	-

BBX HOLDINGS LIMITED ABN 82 089 221 634  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011**

NOTE 9: FINANCIAL ASSETS

	<b>Consolidated Group</b>	
	<b>2011</b>	<b>2010</b>
	<b>\$000</b>	<b>\$000</b>
<b>CURRENT</b>		
Available-for-sale Financial Assets Comprise		
Listed investments, at expected realisation value	166	631
Total available-for-sale financial assets	166	631

Available-for-sale financial assets comprise shares held in the ordinary issued capital of BBX Property Investment Fund Limited. The directors of that company have announced that they intend to wind up the affairs of the company and distribute the assets to the members. The carrying value of this investment is equal to the net fair value of the assets that the BBX Holdings Limited expects to receive through this distribution.

NOTE 10: CONTROLLED ENTITIES

**a. Controlled Entities Consolidated**

	<b>Country of Incorporation</b>	<b>Percentage Owned (%)*</b>
Subsidiaries of BBX Holdings Ltd:		
BBX Gold Coast Pty Ltd	Australia	100%
BBX Peru	Peru	100%
BBX Lucanas	Peru	100%

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

BBX HOLDINGS LIMITED ABN 82 089 221 634  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011**

NOTE 11: PROPERTY, PLANT AND EQUIPMENT

	<b>Consolidated Group</b>	
	<b>2011</b>	<b>2010</b>
	<b>\$000</b>	<b>\$000</b>
PLANT AND EQUIPMENT		
Plant and equipment:		
At cost	3	-
Accumulated depreciation	(1)	-
Total Property, Plant and Equipment	2	-

**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**

	<b>Plant and Equipment</b>	<b>Total</b>
	<b>\$000</b>	<b>\$000</b>
<b>Consolidated Group:</b>		
Balance at 1 July 2009	-	-
Additions	-	-
Disposals	-	-
Depreciation expense	-	-
Balance at 30 June 2010	-	-
Additions	3	3
Depreciation expense	(1)	(1)
Disposals	-	-
Balance at 30 June 2011	2	2

BBX HOLDINGS LIMITED ABN 82 089 221 634  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011**

NOTE 12: OTHER NON CURRENT ASSETS

<b>Consolidated Group</b>	
<b>2011</b>	<b>2010</b>
<b>\$000</b>	<b>\$000</b>

Capitalised exploration cost	150	-
	150	-

Exploration and evaluation expenditures in relation to the area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

- (i) the rights to tenure of the area of interest are current; and
- (ii) at least one of the following conditions is also met:

(a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or

(b) exploration and evaluation activities in the area have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence, or otherwise, of economically recoverable reserves and active and significant operations in, or relating to, the area of interest are continuing.

NOTE 13: TRADE AND OTHER PAYABLES

<b>Consolidated Group</b>	
<b>2011</b>	<b>2010</b>
<b>\$000</b>	<b>\$000</b>

CURRENT

Unsecured liabilities		
Trade payables	33	14
Sundry payables and accrued expenses	48	-
	81	14
	81	14

NON-CURRENT

Unsecured liabilities	-	-
Other related parties	220	298
	220	298
	220	298

BBX HOLDINGS LIMITED ABN 82 089 221 634  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011**

NOTE 14: ISSUED CAPITAL

	<b>Consolidated Group</b>	
	<b>2011</b>	<b>2010</b>
129,092,722 (2010: 67,375,633) fully paid ordinary shares	11,383	10,104
	11,383	10,104

	<b>Consolidated Group</b>		<b>Consolidated Group</b>	
	<b>2011</b>	<b>2011</b>	<b>2010</b>	<b>2010</b>
	<b>No.</b>	<b>\$</b>	<b>No.</b>	<b>\$</b>
<b>a. Ordinary shares</b>				
At the beginning of reporting period	67,375,633	10,104	76,125,803	11,183
Shares issued during the year			20,150	20
- 18 October 2010	44,917,089	449		
- 18 April 2011	2,000,000	150		
- 4 May 2011	14,800,000	740		
Share issue expenses		(60)		
Shares bought back during year	-		-	
- 5 February 2010	-		(8,770,320)	(1,099)
At reporting date	129,092,722	11,383	67,375,633	10,104

On 18 October 2010 the company issued 44,917,089 fully paid ordinary shares at \$0.01 each to raise funds to fund evaluations of new opportunities, pay creditors' claims and for general working capital purposes.

On 18 April 2011 the company issued 2,000,000 fully paid ordinary shares as consideration for an option to earn up to a 75% interest Ouro Belo tin-indium project

On 4 May 2011 the company issued 14,800,000 fully paid ordinary shares at \$0.05 each to provide funds to undertake due diligence on the Ouro Belo tin-indium project and other possible mineral acquisitions in South America

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.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011**

NOTE 14: ISSUED CAPITAL CONTINUED

**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 issue of additional shares and entering to joint venture arrangements where appropriate.

There has been no change in this strategy since the previous financial year

NOTE 15: RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

<b>Consolidated Group</b>	
<b>2011</b>	<b>2010</b>
<b>\$000</b>	<b>\$000</b>

Transactions with related parties:

**a. Associated Companies**

Rental paid to Touma Family Pty Ltd	-	176,458
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**b. Amounts Payable to Related Parties**

An unsecured at call loan has been provided by Arthur Phillip Pty Limited a company associated with Mr Paul Page and Mr Phillip Suriano

Opening balance	97	
Additional advances	15	
Assumption of debt	200	
Repayments	(92)	
Closing balance	220	

Amount due to Arthur Phillip Pty Limited included in Trade Payables		30
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BBX HOLDINGS LIMITED ABN 82 089 221 634  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011**

NOTE 16: SEGMENT REPORTING

The group has one reportable segment being the barter business.

Management will continue to assess the reporting format in future periods and if reporting changes to a different basis additional segment information will be included.

The segment reporting is detailed below:

<b>Year 2011</b>	<b>Barter Business \$000</b>	<b>Unallocated \$000</b>	<b>Total \$000</b>
<b>Revenue</b>			
Segment Revenue	774	11	785
Depreciation	-	1	1
Loss after income tax (a)	-	(856)	(856)
Segment total assets (b)	-	1,043	1043
Segment total liabilities (c)	-	301	301

	<b>Barter Business \$000</b>	<b>Unallocated \$000</b>	<b>Total \$000</b>
<b>Cash flow information</b>			
Net cash inflows/ (outflows) from operating activities	-	(321)	(321)
Net cash inflows/ (outflows) from investing activities	-	(3)	(3)
Net cash inflows/ (outflows) from financing activities	-	1,049	1,049

<b>Year 2010</b>	<b>Barter Business \$000</b>	<b>Unallocated \$000</b>	<b>Total \$000</b>
<b>Revenue</b>			
Segment Revenue	1,059	1,352	2,411
Depreciation	-	-	-
Loss after income tax (a)	-	(101)	(101)
Segment total assets (b)	-	631	631
Segment total liabilities (c)	-	312	312

<b>Cash flow information</b>			
Net cash inflows/ (outflows) from operating activities	-	59	59
Net cash inflows/ (outflows) from investing activities	-	-	-
Net cash inflows/ (outflows) from financing activities	-	511	511

Unallocated amounts represent corporate activities such as administration and office costs.



BBX HOLDINGS LIMITED ABN 82 089 221 634  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011**

NOTE 16: SEGMENT REPORTING (CONTINUED)

(a) Loss after tax

A reconciliation of total loss after tax to the consolidated profit for the year is provided as follows

	<b>2011</b>	<b>2010</b>
	<b>\$000</b>	<b>\$000</b>
Total loss after tax	(856)	(101)
Profit from discontinued operations		997
Profit / Loss for the year	(856)	896

(b) Segment assets

Reportable segment's assets are reconciled to total assets as follows:

	<b>2011</b>	<b>2010</b>
	<b>\$000</b>	<b>\$000</b>
Segment assets	1043	631
Total assets as per the balance sheet	1,043	631

All segment revenue are attributed to Australia and all segment assets are located in Australia.

(c) Segment liabilities

Reportable segment's liabilities are reconciled to total liabilities as follows:

	<b>2011</b>	<b>2010</b>
	<b>\$000</b>	<b>\$000</b>
Segment liabilities	301	312
Total liabilities as per the balance sheet	301	312

BBX HOLDINGS LIMITED ABN 82 089 221 634  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011**

NOTE 17: RECONCILIATION OF PROFIT AFTER INCOME TAX TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	<b>Consolidated Group</b>	
	<b>2011</b>	<b>2010</b>
	<b>\$000</b>	<b>\$000</b>
Net profit / (loss) after income tax	(856)	(101)
Non cash items:		
Gain on Sale of Subsidiary	-	(1,065)
Adjustment - Share Investment	-	(287)
Impairment of listed share	465	1,244
Depreciation & amortisation	1	-
Other	80	1,234
	(310)	1,025
Changes in operating assets and liabilities:		
(Increase) /Decrease in trade receivables	-	1,019
(Increase) /Decrease in inventories	-	58
Increase/ (Decrease) in trade payables	(11)	(1,800)
Increase/ (Decrease) in provisions	-	(243)
Net cash flow from operating activities	(321)	59

NOTE 18: SHARE BASED PAYMENTS

On 18 April 2011 the company issued 2,000,000 fully paid ordinary shares to Crusader Resources Ltd as consideration for an option to acquire up to a 75% interest in the Ouro Belo tin-indium project. The quoted price of the company shares on the date of issue was \$0.075 which is deemed to be the fair value of the shares issued. The total share based payment expense taken up is \$150,000 and is shown as capitalised exploration expense.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011**

NOTE 19: 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	
		2011	2010
		\$000	\$000
<b>Financial Assets</b>	8	725	-
Cash and cash equivalents			
Available-for-sale financial assets at fair value:	9	166	631
– listed investments		891	631
<b>Total Financial Assets</b>		891	631
<b>Financial Liabilities</b>			
Financial liabilities at amortised cost	13	301	312
— Trade and other payables		301	312
<b>Total Financial Liabilities</b>		301	312

**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 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.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011**

NOTE 19: FINANCIAL RISK MANAGEMENT (CONTINUED)

**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;
- 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	
	2011	2010	2011	2010	2011	2010	2011	2010
Consolidated	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Group</b>								
<b>Financial liabilities due for payment</b>								
Trade and other payables (excluding est. annual leave)	81	14	220	298			81	312
Total expected outflows	81	14	220	298			81	312
<b>Financial assets — cash flows realisable</b>								
Cash and cash equivalents	891						891	
Available - for - sale Investments			166	631			166	631
Total anticipated inflows	891	-	166	631	-	-	1,057	631
Net (outflow)/inflow on financial instruments	810	(14)	(54)	333			976	319

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 19: FINANCIAL RISK MANAGEMENT (CONTINUED)

*Financial Liability and Financial Asset Maturity Analysis*

**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**

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 2011 equate to the carrying values of those assets and liabilities at balance date.

NOTE 20: EVENTS AFTER THE BALANCE SHEET DATE

No matters or circumstances have arisen since the end of the year which significantly affect or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

**BBX HOLDINGS LIMITED ABN 82 089 221 634  
and Controlled Entities**

**NOTE 21: PARENT COMPANY INFORMATION**

(a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
<b>Balance Sheet</b>		
Current Assets	891,231	631,128
Total Assets	1,043,536	631,128
Current Liabilities	(81,929)	(14,218)
Total Liabilities	(301,608)	(311,790)
Shareholders' contributed equity	11,382,861	10,104,241
Reserves	-	-
Accumulated Losses	(10,640,933)	(9,784,903)
	<u>741,928</u>	<u>319,338</u>
	<u>741,928</u>	<u>319,338</u>
	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
<b>Statement of Comprehensive Income</b>		
Total profit/(loss)	(856,030)	(101,402)
Total comprehensive income/(loss)	<u>(856,030)</u>	<u>(101,402)</u>
	<u>(856,030)</u>	<u>(101,402)</u>

(b) Contingent Liabilities of the Parent

The parent entity did not have any contingent liabilities as at 30 June 2011.

**NOTE 22: 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 18 to 46, 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 30 June 2011 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.

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



Paul Page

Director

Dated this 27 September 2011

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

**Scope**

**Report on the Financial Report**

We have audited the accompanying financial report of BBX Holdings Limited ('the company') and BBX Holdings Limited and its Controlled Entities ('the consolidated entity') comprising the statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in equity, statement of cash flows for the year ended on that date, a summary of significant accounting policies and 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 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 compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

*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 Holdings Limited and BBX Holdings Limited and its controlled entities is in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the company and the consolidated entity's financial position as at 30 June 2011 and of 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;
- (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 15 to 16 of the report of the directors for the year ended 30 June 2011. 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 BBX Holdings Limited for the year ended 30 June 2011, complies with s 300A of the *Corporations Act 2001*.

## **Robert Nielson Partners**



**Robert Nielson**

**Date 30 September 2011**

## ADDITIONAL INFORMATION

The Shareholder Information set out below was applicable at 21 September 2011

### (a) Distribution of Equity Securities

Number of Shares Held	Total Holders	Total Number of Shares
1 - 1,000	66	50,180
1,001 - 5,000	151	433,640
5,001 - 10,000	110	861,026
10,001 - 100,000	172	7,146,490
100,001 and over	68	120,601,386
Total	567	129,092,722

The Number of shareholders holding less than a marketable parcel of ordinary shares is 236.

### (b) Substantial shareholders as at 21 September 2011

The Company's register of substantial shareholders shows the following:

Shareholder	Number of shares	%
Richard Poole	37,705,596	55.96
Eagle Resources Pty Ltd	13,107,750	19.9
Yardie (WA) Pty Ltd <AW Family A/C>	6,000,000	5.34
143 Pty Ltd <JF Pearce Family A/C>	6,000,000	5.34

### Unquoted Equity Securities

	Number on Issue	Number of Holders
Number of Ordinary Shares under Options	0	0

### Voting Rights

The voting rights attaching to each class of equity are set out below:

#### (a) Ordinary Shares

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

#### (b) Options

No voting rights.

BBX HOLDINGS LIMITED ABN 82 089 221 634  
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**ADDITIONAL INFORMATION (CONTINUED)**

**Twenty Largest Security Holders**

Holder Name	No. of Ord Shares	%
ARTHUR PHILLIP NOMINEES PTY LTD	28,946,500	22.42
ARTHUR PHILLIP NOMINEES PTY LTD	24,891,331	19.28
YARDIE (WA) PTY LTD <A W SMITH FAMILY A/C>	9,000,000	6.97
143 PTY LTD <J F PEARCE FAMILY A/C>	7,050,000	5.46
KPC INVESTMENT FUND NO 1 LIMITED	4,200,000	3.25
ARTHUR PHILLIP NOMINEES PTY LTD (ACN 111 862 358)	3,446,416	2.67
KOBIA HOLDINGS PTY LTD <THE KOBIA A/C>	3,000,000	2.32
CRUSADER RESOURCES LIMITED	2,000,000	1.55
MR GRAHAM JUSTIN SHANN EVANS <GJS EVANS SUPER FUND A/C>	2,000,000	1.55
SUNROCK PTY LTD <G TRETTEL SUPERFUND A/C>	2,000,000	1.55
MR WILLIAM RICHARD BROWN	1,700,000	1.32
ALCARDO INVESTMENTS LIMITED <STYLED 102501 A/C>	1,636,000	1.27
MR GRAEME FITZSIMMONS & MRS SHIRLEY FITZSIMMONS & MRS KATHERINE ATKINSON <CHIDLEY SUPER FUND A/C>	1,600,000	1.24
BACCHUS STRATEGIC DEVELOPMENTS GROUP PTY LTD	1,563,600	1.21
NDOO PTY LTD	1,500,000	1.16
VITOR PTY LTD <THE VANLOENHOUT S/FUND A/C>	1,350,000	1.05
MR SAMUEL DICKSON MCINTOSH	1,091,892	0.85
BLU BONE PTY LTD <THE SHARE TRADING A/C>	1,000,000	0.78
MRS KATIE ALEXANDRA EVANS	1,000,000	0.78
MR DALE FERGUSON <THE DALEO FAMILY FUND A/C>	1,000,000	0.78
FERNLAND HOLDINGS PTY LTD <THE CELATO A/C>	1,000,000	0.78
HAMMERHEAD HOLDINGS PTY LTD <HHH S/F A/C>	1,000,000	0.78
MICHAEL LEON SCHMULIAN	1,000,000	0.78
MR PAUL RICHARD STEPHEN & MISS JULIE ANN STEPHEN <THE STEPHEN SUPERFUND A/C>	1,000,000	0.78
TOMREDA PTY LTD	1,000,000	0.78
MRS REBECCA LEANE TRETTEL	1,000,000	0.78