HUNTER HALL INTERNATIONAL LIMITED
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27 August 2009

Company Announcements Office
Australian Stock Exchange Limited
Level 5, 20 Bridge Street
Sydney NSW 2000

HUNTER HALL INTERNATIONAL LIMITED
30 June 2009
Preliminary Final Report and Final Dividend Announcement

Preliminary Final Report
As required by ASX Listing Rule 4.3A, I attach the following documents in relation to the 30 June 2009 preliminary final report:

- Chairman's Statement;
- Appendix 4E – Preliminary Final Report
- Financial Statements for the year ended 30 June 2009

Final Dividend Announcement
The Directors have declared a final fully franked dividend of 26.4 cents per share, with record date of Tuesday 8 September 2009 and payment date of Monday 21 September 2009.

The Company Divided Reinvestment Plan is open for participation for this dividend.

Yours sincerely,

OUAFAA KARIM
Company Secretary

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ANNOUNCEMENT TO THE AUSTRALIAN STOCK EXCHANGE

HUNTER HALL INTERNATIONAL LIMITED

PRELIMINARY RESULTS TO 30 JUNE 2009

27 August 2009

Peter Hall, Chairman of Hunter Hall International Limited, made the following statement today:

Financial Results

Hunter Hall recorded a net profit after tax of $7.4m for the year to 30 June 2009, 56% lower than that recorded in the previous comparable period

Funds under management (FUM) declined 30% from $2.352 billion at 30 June 2008 to $1.658 billion at 30 June 2009 and average FUM for the year to June 2009 was well down on the previous corresponding period.

Our balance sheet is strong. The Hunter Hall group, excluding the Hunter Hall International Ethical Fund (IEF), held cash, net of debt, of $14.2m, before payment of tax and dividends. The investment in the IEF had a market value at 30 June 2009 of $9.1m.

Dividend

A final fully franked dividend of 26.4 cents per share has been declared by the Board all of which is payable from retained earnings.

The record date for the dividend is Tuesday 8 September 2009 and the dividend will be paid on Monday 21 September 2009.

In conjunction with the interim fully franked dividend of 18.6 cents per share, the total dividend for the year is 45.0 cents fully franked as compared with 77.3 cents paid in 2008. Following payment of the upcoming final dividend Hunter Hall will have paid fully franked dividends of 347.3 cents per share since listing in February 2001 at an issue price of 90 cents.

Summary Profit & Loss Statement

($'000)	**30 June 2007**	**30 June 2008**	**30 June 2009**
Funds Under Management	$2,664.5m	$2,351.7m	$1,657.6m
Revenue from Investment Management	**32,762**	**40,270**	**26,288**
Expenses	(10,813)	(13,620)	(10,748)
Profit from Investment Management	21,949	26,650	15,540
Net Investment and other Income	(9)	1,234	(2,433)
Net Performance Fees	8,175	143	1,993
Charitable Donations	(1,274)	(1,324)	(931)
Operating Profit before Tax	28,842	26,703	14,169
Non-cash AIFRS expenses/credits	(5,003)	(2,334)	1,419
AIFRS pre-tax profit from investment management	23,839	24,369	15,588
Tax	(7,432)	(7,252)	(6,023)
Net Profit after tax	16,407	17,117	9,565
Movement in value of holding in IEF	3,099	(211)	(2,123)
Net Profit after tax and IEF minority	19,506	16,906	7,442
Dividends Per Share	71.2c	77.3	45.0

Salient features of the result were:

- Funds under management on 30 June 2009 at $1,658m were $694m or 30% lower than the figure at 30 June 2008. This decline was driven by negative investment performance of $509m, distributions paid out of the Trusts which came to $14m, the buyback for HHV of $36m and net redemptions by investors of $135m.

- Total Revenue from Investment Management of $26.3m was $14.0m or 35% below the $40.3m in the previous year.

- Expenses at $10.7m were $2.9m or 21% lower than for the year to 30 June 2008. Expenses (excluding the AIFRS option expense) as a proportion of Revenue from Investment Management increased from 33.8% to 40.9%.

- Profit from Investment Management at $15.5m was down $11.1m or 42% on the $26.6m earned in the previous year.

- Investment and other income, net of interest expense, was a loss of $2.4m. This loss was principally a result of the write-down in the holding value of the investment in the Hunter Hall International Ethical Fund. Hunter Hall's $2m seed investment in Hunter Hall Global Deep Green Trust (GDG) was also redeemed for a $0.4m loss.

- Net performance fees were $2.0m compared to $0.1m in the previous year. The performance fee earned for the year to June 2009 was accrued in the half-year to June 2008 due to the out-performance of the Hunter Hall Global Ethical Trust (GET) and Hunter Hall Global Deep Green Trust (GDG) over that period. These fees only became payable following a period when each product delivered a positive return, which occurred in the June 2009 half-year.

- The amount available for donation to charitable purposes is $0.93m, down on the previous year's figure of $1.32m. Shareholders will be invited to nominate charities to which the Hunter Hall Charitable Trust donates. In the period since listing (February 2001) Hunter Hall shareholders have made $6.4m available for charitable donations.

- Hunter Hall parent cash holdings at 30 June 2009 were $17.2m before payment of income tax and dividends and prior to receipt of performance fees. This figure excludes the cash holdings of the Hunter Hall International Ethical Fund (IEF) which are included in the consolidated balance sheet as we own 48.0% of its capital.

- Hunter Hall's investment in the IEF had a market value of A$9.1m. Hunter Hall's after tax share of the net loss generated by the IEF in the year to 30 June 2009 was $2.1m.

- Hunter Hall has borrowings of $3m which are used to fund the investment in the IEF.

Investment Performance

All the Hunter Hall products recorded negative absolute returns over the year to 30 June 2009.

In the twelve months to June 2009, our flagship product, the Hunter Hall Value Growth Trust (VGT) recorded a negative 22.0% return. In comparison, the Australian All Ordinaries Accumulation Index (AOAI), recorded a negative 22.1% return, and world markets as represented by the MSCI World Total Return Index, Net Dividends Reinvested in A$ (MSCI) generated a return of negative 16.3%.

Between inception on 2 May 1994 and 30 June 2009 the VGT generated a compound annual return of 14.2% and has outperformed the MSCI and AOAI in 12 and 11 of 15 fiscal years, respectively. Since inception the VGT has outperformed the MSCI and AOAI by a compound annual average of 10.4% and 5.6%, respectively.

The following table displays the performance of the VGT relative to the MSCI and the AOAI to 30 June 2009. The table also shows the Trust's peer group performance rankings as published by Morningstar for the period to 30 June 2009.

Relative Performance of the Value Growth Trust (VGT) to 30 June 2009					
Compound Annual Returns	VGT (1)	MSCI (2)	Relative Performance (1-2)	AOAI (3)	Relative Performance (1-3)
1 Year	-22.0%	-16.3%	-5.7%	-22.1%	+0.1%
3 Years	-3.9%	-10.6%	+6.7%	-3.8%	-0.1%
5 Years	+5.3%	-2.9%	+8.2%	+6.7%	- 1.4%
7 Years	+7.9%	-2.4%	+10.3%	+7.6%	+0.3%
10 Years	+11.2%	-2.8%	+14.0%	+7.0%	+4.2%
Since inception (02.05.1994)	+14.2%	+3.8%	+10.4%	+8.6%	+5.6%

The All Ordinaries Accumulation Index is the benchmark used for Performance Fee calculation for the VGT.

Source: Hunter Hall. All returns are on a pre-tax basis. Past performance is no guarantee of future performance and no guarantee of future returns is implied.

The Hunter Hall Global Ethical Trust (GET) recorded a negative return of 20.8% for the year to June 2009, while the MSCI World in A$ fell by 16.3%. Since inception on 29 November 2001 the GET has generated a compound annual return of 3.7% outperforming its benchmark, the MSCI, by 8.0% per annum.

Relative Performance of the Global Ethical Trust (GET) to 30 June 2009			
Compound Annual Returns	GET (1)	MSCI (2)	Relative Performance (1-2)
1 Year	-20.8%	-16.3%	-4.5%
3 Years	-8.3%	-10.6%	+2.3%
5 Years	+2.2%	-2.9%	+5.1%
7 Years	+5.3%	-2.4%	+7.7%
Since inception (29.11.2001)	+3.7%	-4.3%	+8.0%

Source: Hunter Hall. All returns are on a pre-tax basis. Past performance is no guarantee of future performance and no guarantee of future returns is implied.

The Hunter Hall Australian Value Trust (AVT) recorded a negative return of 23.0%, marginally under-performing its benchmark, the All Ordinaries Accumulation Index (AOAI), for the year to 30 June 2009. Since inception on 29 November 2001 the AVT has generated a compound annual return of 7.1% outperforming its benchmark by 0.3% per annum.

Relative Performance of the Australian Value Trust (AVT) to 30 June 2009			
Compound Annual Returns	AVT (1)	AOAI (2)	Relative Performance (1-2)
1 Year	-23.0%	-22.1%	-0.9%
3 Years	-2.6%	-3.8%	+1.2%
5 Years	+2.7%	+6.7%	-4.0%
7 Years	+3.6%	+7.6%	-4.0%
Since inception (29.11.2001)	+7.1%	+6.8%	+0.3%

Source: Hunter Hall. All returns are on a pre-tax basis. Past performance is no guarantee of future performance and no guarantee of future returns is implied.

The Hunter Hall Global Deep Green Trust (GDG) recorded a negative return of 12.9%, outperforming its benchmark, the MSCI World in A$, by 3.4% for the year to 30 June 2009. Since inception on 31 October 2007 the GDG has generated a compound annual return of negative 9.9% outperforming its benchmark by 10.5% per annum. After the withdrawal of Hunter Hall's $2m seed capital the Trust had net assets of $7.1m at 30 June 2009.

Relative Performance of the Global Deep Green Trust (GDG) to 30 June 2009			
Compound Annual Returns	GDG (1)	MSCI (2)	Relative Performance (1-2)
1 Year	-12.9%	-16.3%	+3.4%
Since inception (31.10.2007)	-9.9%	-20.4%	+10.5%

Source: Hunter Hall. All returns are on a pre-tax basis. Past performance is no guarantee of future performance and no guarantee of future returns is implied.

Other Products

The Hunter Hall Global Value Limited (HHV) portfolio declined by 16.1% for the year to June 2009, outperforming its benchmark, the MSCI World in A$, by 0.2%. This negative performance, together with the $36m share buy-back during the year, saw HHV's pre-tax net assets decline to $258m or $0.86 per share at 30 June 2009 from $354m or $0.99 per share at 30 June 2008.

Since listing on the ASX on 19 March 2004, HHV's investment portfolio has generated a compound annual return of 2.3%, out-performing its benchmark by 3.3%.

The Hunter Hall Ethical Superannuation Fund (ESF) saw its assets fall from $60m at 30 June 2008 to $47m at 30 June 2009. Fund members may allocate their superannuation contribution between three equity portfolios, which in turn invest in the three underlying Hunter Hall Trusts – the VGT, GET, AVT and GDG.

The Hunter Hall International Ethical Fund (IEF) recorded a negative 34.6% return (in US$) in the year to June 2009, underperforming its benchmark, the MSCI World in US Dollars, by 5.1%. Since its inception in December 2002 the IEF has recorded a 7.9% compound annual return, outperforming its benchmark by 2.8% per annum.

The IEF net assets fell from US$24.4m (A$25.5m) at 30 June 2008 to US$15.4m (A$19.1m) at 30 June 2009. The IEF is registered in Spain, Germany and the UK with Undertaking for Collective Investment in Transferable Securities (UCITS III) status and management are examining ways to efficiently market the Fund to wholesale and sophisticated investors in parts of the European Union.

Performance Fees

At 30 June 2009, the total performance fee aggregated to negative $49.8m. This excludes the combined positive performance fee of $3.986m (gross) from the GET and GDG accrued in the June 2008 half-year but not earned until each Trust delivered a positive return in the half-year to June 2009. The net amount payable to Hunter Hall International of $1.960m was held as a receivable at 30 June 2009. It has since been paid.

Although Funds Under Management (FUM) have grown 11% to $1.84 billion over the past eight weeks to 25 August 2009 overall under-performance has seen the total performance fee deteriorate slightly to negative $52.3m. The table below sets out the performance fee accruals:

	30 June 2009 $000	25 August 2009 $000
VGT	(25,379)	(26,473)
GET	(8,481)	(10,703)
AVT	(8,641)	(7,798)
GDG	(50)	14
IEF	(492)	(472)*
HHV	(6,795)	(6,841)*
Total	(49,838)	(52,273)

* as at 31 July 2008

Outlook

The last two years have been very challenging for almost all participants in financial markets. We are, frankly, disappointed with our performance. We did not move quickly enough when we saw trouble coming, were too complacent about valuations and were over-exposed to more volatile segments of the world economy such as emerging markets, commodities and oil and gas stocks.

On the other hand we have moved aggressively to reduce costs, restructure our portfolios, our investment process and our team. Despite producing negative returns in the six months to December 2008 we had a pleasing recovery in the six months to June 2009 and this progress has continued in the first eight weeks of the new financial year.

One area of particular concern to us in recent years has been the performance of the AVT. I am pleased to say that the AVT has had superb performance over the period since 31 December 2008 with an increase of 53.6%, outperforming its benchmark by 29%. There is still some way to go before this fund meets our performance objectives but an important recovery has occurred.

Our returns relative to our international peers over the medium to long-term have been excellent and we continue to maintain satisfactory ratings for our products. The VGT and GET have a 'Recommended' rating by Morningstar and Lonsec while the GET has a 'Recommended' rating from Zenith.

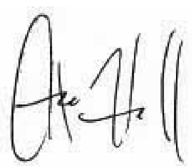
Our current view is that the most intense phase of the financial storm is past. Policymakers have managed to save the banking system by pouring enormous amounts of money into the global financial and economic system. However, in time our societies will have to repay the debts incurred as a result of the Global Financial Crisis as it has come to be known. Such is the scale of the problem that I believe there will be a significant shift in psychology and culture; away from heedless consumption and towards caution and savings. In this environment investment returns of most asset classes are likely to be lower, taxes higher and good stock-picking the key to adding investment value.

In recent months stock market psychology has moved from total despair to something approaching euphoria as demonstrated by the 50% increase in the US S&P 500. We continue to be cautious although we have taken the opportunity to pick up some bargains. We continue to hold cash weightings at about 20%.

It is too early to make any forecasts for financial results for Hunter Hall in the year ahead but frankly I would be pleased with a modest increase in after-tax profit.

Annual General Meeting

The Annual General Meeting of Hunter Hall International Limited will be held on Friday 27 November 2009 at 10.30am at the Menzies Hotel, 14 Carrington Street, Sydney NSW 2000.



Peter MacDonald Hall
Executive Chairman
Hunter Hall International Limited

Please direct any enquiries to:

David Buckland
Chief Executive Officer
Tel: (02) 8224 0300

Appendix 4E

Preliminary final report
Period ended 30 June 2009

ENTITY: HUNTER HALL INTERNATIONAL LIMITED
ABN: 43 059 300 426

The following information is given to the ASX under listing rule 4.3A.

Item 1:

This preliminary final report is for the reporting period to 30 June 2009 and the previous corresponding period is 30 June 2008, for Hunter Hall International Limited (the Company) and its controlled entities (the Consolidated Entity).

Item 2: **Results for announcement to the market**

		$A'000 Up/(down)	**% to**	**$A'000**
2.1:	Revenue from Ordinary Activities	(13,706)	(27)	37,232
2.2:	Profit (loss) from ordinary activities after tax attributable to members	(9,464)	(56)	7,442
2.3:	Net profit (loss) for the period attributable to members	(9,464)	(56)	7,442

2.4: The amount of fully franked dividends for the period amounted to 45.0 cents per share. This is made up of a final fully franked dividend of 26.4 cents per share declared by the Board on 24 August 2009 and an interim fully franked dividend of 18.6 cents per share.

	Amount per share	**Franked amount per share**
Final dividend	$0.264	$0.264

2.5: The record date for the dividend is Tuesday 8 September 2009 and the dividend will be paid on Monday 21 September 2009.

2.6: Salient features of the result included:

• Funds under management on 30 June 2009 at $1,658m were $694m or 30% lower than the figure at 30 June 2008. This decline was driven by negative investment performance of $509m, distributions paid out of the Trusts which came to $14m, the buyback for HHV of $36m and net redemptions by investors of $135m.

• Total Revenue from Investment Management of $26.3m was $14.0m or 35% below the $40.3m in the previous year.

•Expenses (before AIFRS non cash items) were 21% lower then the previous year at $10.748m (2008: $13.620m). This number excludes the AIFRS related non-cash employee option expense of $0.484m and the AIFRS related non-cash Portfolio Manager Share Plan write-back of $1.903m.Expenses (excluding the AIFRS option expense) as a proportion of Revenue from Investment Management increased from 33.8% to 40.9%.

• Profit from Investment Management at $15.540m was down $11.111m or 42% on the $26.650m earned in the previous year.

• Investment and other income, net of interest expense, was a loss of $2.433m. This loss was principally a result of the write-down in the holding value of the investment in the Hunter Hall International Ethical Fund. Hunter Hall's $2m seed investment in Hunter Hall Global Deep Green Trust (GDG) was also redeemed for a $0.4m loss.

• Net performance fees were $1.993m compared to $143,000 in the previous year. The performance fee earned for the year to June 2009 was accrued in the half-year to June 2008 due to the out-performance of the Hunter Hall Global Ethical Trust (GET) and Hunter Hall Global Deep Green Trust (GDG) over that period. These fees only became payable following a period when each product delivered a positive return, which occurred in the June 2009 half-year.

• The amount available for donation to charitable purposes is $0.931m, down on the previous year's figure of $1.324m. Shareholders will be invited to nominate charities to which the Hunter Hall Charitable Trust donates. In the period since listing (February 2001) Hunter Hall shareholders have made $6.424m available for charitable donations.

• Hunter Hall group cash holdings at 30 June 2009 were $17.182m before payment of income tax and dividends and prior to receipt of performance fees. This figure excludes the cash holdings of the Hunter Hall International Ethical Fund (IEF) which are included in the consolidated balance sheet as we own 48.02% of its capital.

• Hunter Hall's investment in the IEF had a market value of A$9.1m. Hunter Hall's after tax share of the net loss generated by the IEF in the year to 30 June 2009 was $2.1m.

• Hunter Hall has borrowings of $3m which are used to fund the investment in the IEF.

For more information on the financial results of the Company refer to the 2009 Financial Statements and accompanying notes, attached to this report.

Item 3: Net tangible assets per security

	Reporting period $A	Previous corresponding period $A
Net Tangible Asset backing per ordinary share	**1.4218**	1.8263

Item 4: Audit Review/ Status

This report is based on accounts that are in the process of being audited and although the audit report has not been issued at date of issue of the report, the Directors do not expect any dispute or qualifications by the auditors.

Item 5: Attachments forming part of Appendix 4E

Hunter Hall International Limited 2009 Financial Report.

David Buckland
Director

27th August 2009

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009

		Consolidated		Parent	
		2009	2008	2009	2008
	Note	$'000	$'000	$'000	$'000
Revenues	2	37,232	50,938	37,417	49,140
Other income	3	418	671	268	671
Employee benefits expense		(6,596)	(7,064)	(5,388)	(5,346)
Employee bonuses	4	(424)	(1,804)	(287)	(1,563)
Performance fee paid	4	(1,993)	(150)	(1,993)	6,285
PM equity plan expense	4	1,903	(719)	922	(329)
Employee option plan expense	4	(484)	(1,616)	(447)	(1,088)
Marketing costs		(953)	(1,407)	(946)	(1,407)
Directors fees		(296)	(248)	(261)	(192)
Consultancy fees		(377)	(680)	(377)	(672)
Professional fees		(536)	(612)	(185)	(234)
Insurance costs		(278)	(173)	(270)	(166)
Occupancy costs		(941)	(957)	(559)	(567)
Depreciation and amortisation expense	4	(323)	(356)	(320)	(353)
Finance costs	4	(332)	(501)	(332)	(501)
Commissions	4	(664)	(1,192)	(660)	(1,189)
Management fees		(1,367)	(1,677)	(2,800)	(12,357)
Managed investment entity expenses		(159)	(233)	(680)	(482)
Charitable donations		(931)	(1,324)	(837)	(1,320)
Reimbursable expenses		(2,531)	(3,460)	(2,531)	(3,367)
Foreign exchange contract losses		(674)	-	(674)	-
Fair value losses of financial instruments held for trading		(12,202)	(3,221)	-	-
Other expenses		(1,702)	(1,956)	(1,301)	(1,689)
Profit before income tax expense		**5,790**	**22,259**	**17,759**	**23,274**
Income tax expense	5	(4,357)	(6,700)	(5,294)	(6,180)
Net profit for the year		**1,433**	**15,559**	**12,465**	**17,094**
Less: Loss attributable to minority equity interest		(6,009)	(1,347)		
Profit attributable equity holders of Hunter Hall International Limited		**7,442**	**16,906**		
Basic earnings per share (cents per share)	9	28.96	66.60		
Diluted earnings per share (cents per share)	9	27.55	64.91		

The Income Statement should be read in conjunction with the accompanying Notes.

BALANCE SHEET
AS AT 30 JUNE 2009

		Consolidated		Parent	
		2009	2008	2009	2008
	Note	$'000	$'000	$'000	$'000
Current assets					
Cash and cash equivalents	10	20,905	26,673	12,523	21,243
Trade and other receivables	11	7,082	4,686	6,560	6,140
Financial assets	12	275	266	275	266
Other current assets	13	282	284	233	231
Total current assets		28,544	31,909	19,591	27,880
Non-current assets					
Financial assets	15	15,370	24,944	15,496	13,940
Property, plant and equipment	16	505	621	469	591
Deferred tax assets	17	2,131	2,815	1,092	1,272
Intangible assets	18	445	540	335	430
Total non-current assets		18,451	28,920	17,392	16,233
Total assets		46,995	60,829	36,983	44,113
Current liabilities					
Trade and other payables	19	4,676	5,406	6,975	8,176
Current tax liabilities	20	1,465	609	1,454	1,647
Short term provisions	21	317	222	317	222
Short term borrowings	22	3,000	-	3,000	-
Other current liabilities	23	-	39	-	39
Total current liabilities		9,458	6,276	11,746	10,084
Non-current liabilities					
Long term provisions	24	296	309	296	309
Long term borrowings	25	-	6,000	-	6,000
Deferred tax liabilities	26	-	925	86	91
Other non current liabilities	27	270	423	270	423
Total non-current liabilities		566	7,657	652	6,823
Total liabilities		10,024	13,933	12,398	16,907
NET ASSETS		**36,971**	**46,896**	**24,585**	**27,206**
Equity					
Issued capital	28	18,874	17,373	18,874	17,373
Reserves	30	(560)	2,072	433	4,172
Retained earnings		8,143	13,549	5,278	5,661
Parent interest		26,457	32,994	24,585	27,206
Minority equity interest		10,514	13,902	-	-
Total equity		**36,971**	**46,896**	**24,585**	**27,206**

The Balance Sheet should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2009

Consolidated	**Note**	**Issued capital $'000**	**Reserves $'000**	**Retained Earnings $'000**	**Minority Interest $'000**	**Total $'000**
Balance as at 1 July 2007		13,937	5,369	15,132	6,408	40,846
Changes in fair value of available for sale financial instruments	30	-	(6)	-	-	(6)
Share based payments tax reserve	30		450			450
Unrealised foreign exchange translation	30	-	(1,930)	-	(1,332)	(3,262)
Net income/(expense) recognised directly in equity		-	(1,486)	-	(1,332)	(2,818)
Profit/(loss) for the period		-	-	16,906	(1,347)	15,559
Total recognised income and expense for the year		**-**	**(1,486)**	**16,906**	**(2,679)**	**12,741**
Shares issued under the Dividend Reinvestment Plan	28	1,927	-	-	-	1,927
Issue of shares to minority interest		-	-	-	10,173	10,173
Dividends paid	8	-	(4,146)	(18,489)	-	(22,635)
Options exercised	28	1,509	-	-	-	1,509
Share based payments expense	30	-	2,335	-	-	2,335
Balance as at 30 June 2008		**17,373**	**2,072**	**13,549**	**13,902**	**46,896**
Balance as at 1 July 2008		17,373	2,072	13,549	13,902	46,896
Changes in fair value of available for sale financial instruments	30	-	(9)	-	-	(9)
Share based payments tax reserve	30	-	(1,342)	-	-	(1,342)
Unrealised foreign exchange translation	30	-	2,458	-	3,042	5,500
Net income/(expense) recognised directly in equity		-	1,107	-	3,042	4,149
Profit/(loss) for the period		-	-	7,442	(6,009)	1,433
Total recognised income and expense for the year		**-**	**1,107**	**7,442**	**(2,967)**	**5,582**
Shares issued under the Dividend Reinvestment Plan	28	1,215	-	-	-	1,215
Issue of shares to minority interest		-	-	-	(421)	(421)
Dividends paid	8	-	(2,320)	(12,848)	-	(15,168)
Options exercised	28	286		-	-	286
Share based payments expense	30	-	(1,419)	-	-	(1,419)
Balance as at 30 June 2009		**18,874**	**(560)**	**8,143**	**10,514**	**36,971**

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2009

Parent		Issued capital $'000	Reserves $'000	Retained Earnings $'000	Total $'000
Balance as at 1 July 2007		13,937	5,984	7,056	26,977
Profit for the year		-	-	17,094	17,094
Total recognised income and expense for the year		**-**	**-**	**17,094**	**17,094**
Shares issued under the Dividend Reinvestment Plan	28	1,927	-	-	1,927
Dividends paid		-	(4,146)	(18,489)	(22,635)
Options exercised	28	1,509	-	-	1,509
Share based payments equity contribution	30	-	917	-	917
Share based payments expense	30	-	1,417	-	1,417
Net income/(expense) recognised directly in equity		**3,436**	**(1,812)**	**(18,489)**	**(16,865)**
Balance as at 30 June 2008		**17,373**	**4,172**	**5,661**	**27,206**
Balance as at 1 July 2008		17,373	4,172	5,661	27,206
Profit for the year		-	-	12,465	12,465
Total recognised income and expense for the year		**-**	**-**	**12,465**	**12,465**
Shares issued under the Dividend Reinvestment Plan	28	1,215	-	-	1,215
Dividends paid	8	-	(2,320)	(12,848)	(15,168)
Options exercised	28	286	-	-	286
Share based payments equity contribution	30	-	(944)	-	(944)
Share based payments expense	30	-	(475)	-	(475)
Net income/(expense) recognised directly in equity		**1,501**	**(3,739)**	**(12,848)**	**(15,086)**
Balance as at 30 June 2009		**18,874**	**433**	**5,278**	**24,585**

The Statements of Changes in Equity should be read in conjunction with the accompanying notes.

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009

	Note	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent 2009 $'000	Parent 2008 $'000
Cash flows from operating activities					
Receipts from customers		38,482	64,052	35,396	58,821
Payments to suppliers and employees		(25,352)	(31,510)	(21,405)	(28,560)
Dividends received by IEF		370	517	-	4,027
Interest received		752	1,294	319	851
Finance costs		(332)	(501)	(332)	(501)
Income tax paid		(5,084)	(9,812)	(5,312)	(9,413)
Net cash inflow from operating activities	31	**8,836**	**24,040**	**8,666**	**25,225**
Cash flows from investing activities					
Payments for investments of the IEF		(8,011)	(22,458)	-	-
Proceeds from sale of investments of HHML		1,628	-	-	-
Proceeds from sale of investments of IEF		9,704	11,070	-	-
Payments for property, plant and equipment		(112)	(275)	(103)	(277)
(Payments)/proceeds from forward exchange contracts		(683)	631	(424)	631
Net cash inflow (outflow) from investing activities		**2,526**	**(11,032)**	**(527)**	**354**
Cash flows from financing activities					
Proceeds from issues of HHL shares		286	1,509	286	1,509
(Redemption of)/proceeds from issue of minority shares		(421)	10,173	-	-
Payments for PM shares converted		-	(695)	-	(695)
Repayment of deposits on PM Shares		(192)	-	(192)	-
Dividends paid by HHL		(13,953)	(20,708)	(13,953)	(20,708)
Repayment of borrowings		(3,000)	-	(3,000)	-
Net cash (outflow) inflow from financing activities		**(17,280)**	**(9,721)**	**(16,859)**	**(19,894)**
Net increase (decrease) in cash held		(5,918)	3,287	(8,720)	5,685
Cash and cash equivalents at beginning of year		26,673	22,742	21,243	15,558
Effect of foreign currency fluctuations on cash held		150	644	-	-
Cash and cash equivalents at end of year	10	**20,905**	**26,673**	**12,523**	**21,243**

The Cash Flow Statement should be read in conjunction with the accompanying Notes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial report of Hunter Hall International Limited and its controlled entities and Hunter Hall International Limited as an individual parent entity complies with all International Financial Reporting Standards (IFRS) in their entirety.

The financial report covers the consolidated entity of Hunter Hall International Limited and its controlled entities (the Consolidated Entity), and Hunter Hall International Limited as an individual parent entity. The Company is a listed public company, incorporated and domiciled in Australia.

Reporting basis and conventions
The financial report has been prepared on an accruals basis and is based on historical cost modified by the revaluation of selected non current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Summary of Significant Accounting Policies

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions and other events is reported.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

a. Principles of consolidation

A controlled entity is any entity controlled by the Company. Control exists where the Company has the capacity to dominate the decision making in relation to the financial and operating policies of another entity so that the other entity operates with the Company to achieve the objectives of the Company. A list of controlled entities is contained in Note 13a. to the financial statements. All controlled entities have a June financial year end.

All inter company balances and transactions between entities in the Consolidated Entity, 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 Company.

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

Minority equity interests in the equity and results of the entities that are controlled are shown as a separate item in the consolidated financial report.

b. Income tax

The Consolidated Entity adopts the liability method of tax effect accounting whereby the income tax expense is based on the profit from ordinary activities adjusted for any non assessable or disallowed items.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax basis 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 tax legislation and the anticipation that the Consolidated Entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Hunter Hall International Limited and its wholly owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. Each entity in the group recognises its own current and deferred tax liabilities, except for any deferred tax liabilities resulting from unused tax losses and tax credits, which are immediately assumed by the parent entity. The current tax liability of each group entity is then subsequently assumed by the parent entity. The group notified the Australian Tax Office that it had formed an income tax consolidated group to apply from 14 January 2004. The tax consolidated group has entered a tax sharing agreement whereby each company in the group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated group.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c. Plant and equipment

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

Depreciation

The depreciable amounts of all fixed assets are depreciated on a diminishing value basis. The depreciation rates used for each class of depreciable assets are:
Office equipment, furniture & fixtures - 13-40%

d. Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses of a straight line basis unless another systematic basis is more representative of the term pattern of the users benefits.
Lease incentives under operating leases are recognised as a liability. Lease payments received reduce the liability.

e. Financial instruments

Recognition and measurement

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise. The Consolidated Entity has also designated its investment portfolio as held at fair value through profit and loss as permitted by AASB 139 Financial Instruments: Recognition and Measurement. The performance of the investment portfolio of the Hunter Hall International Ethical Fund (HHIEF) is measured and evaluated by Key Management Personnel on the basis of fair value movement and managed in accordance with their documented investment strategy.

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 stated at amortised cost using the effective interest rate method.

Available for sale financial assets

Available for sale financial assets include any financial assets not included in the above categories. Available for sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial liabilities

Non derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Derivative instruments

Derivative instruments are measured at fair value. Gains and losses arising from changes in fair value are taken to the income statement unless they are designated as hedges.

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, with reference to similar instruments and option pricing models.

Impairment

At each reporting date, the Consolidated Entity assess 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 impairment has arisen. Impairment losses are recognised in the income statement.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

f. Impairment of assets

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

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

g. Intangible assets

(i) Goodwill

Goodwill on consolidation is initially recorded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to its net assets at the date of acquisition. The balance is tested annually for impairment and carried at cost less accumulated impairment losses.

(ii) Software

Software is initially recorded at cost and amortised over 4.5 years on a diminishing value basis.

h. Foreign currency transactions and balances

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

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

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

(iii) Consolidated Entity companies

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

- Assets and liabilities are translated at year-end exchange rates prevailing at that reporting date.
- Income and expenses are translated at average exchange rates for the period.
- Retained profits are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the Consolidated Entity's foreign currency translation reserve in the balance sheet.

i. Employee benefits

Provision is made for the Consolidated Entity's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimate future cash outflows to be made for those benefits. Contributions are made by the Consolidated Entity to employee superannuation funds and are charged as expenses when incurred.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

j. Share-based payment transactions

The Consolidated Entity provides benefits to employees (including directors) of the Consolidated Entity in the form of share-based payment transactions, whereby employees render services in exchange for rights over shares (equity-settled transactions).

The Consolidated Entity has an Employee Share Option Plan (ESOP) in place which provides benefits to directors, senior executives and employees.

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined using a Black Scholes model.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Hunter Hall International Limited (market conditions).

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the vesting conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (vesting date).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects the extent to which the vesting period has expired and the number of awards that, in the opinion of the directors of the Consolidated Entity, will ultimately vest. This opinion is formed based on the best available information at grant date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest.

Where terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of the modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

In addition to the ESOP, the Company has also implemented the Portfolio Manager Share Plan (PMSP), which was approved by shareholders on 26 September 2006. This plan provides benefits to the Portfolio Managers.

The cost of these equity settled transactions with Portfolio Managers is measured by reference to the fair value at the date at which they are granted. The fair value is determined using a binomial option pricing model.

In valuing equity settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Hunter Hall International Limited (market conditions).

The cost of equity settled transactions is recognised, together with a corresponding increase in equity, over the period in which the vesting conditions are fulfilled, ending on the estimated date on which the relevant Portfolio Managers become fully entitled to the award (vesting date). The vesting date is contingent upon the Company achieving certain pre-determined thresholds of half-yearly pre-tax profits.

The cumulative expense recognised for equity settled transactions at each reporting date until vesting date reflects the extent to which the vesting period has expired and the number of awards that, in the opinion of the directors of the Consolidated Entity, will ultimately vest. This opinion is formed based on the best available information at grant date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where terms of an equity settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of the modification.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

k. Cash and cash equivalents

For the purpose of the Cash Flow Statement, cash and cash equivalents includes cash on hand and at call deposits with banks or financial institutions, net of bank overdrafts.

l. Revenue and other income

Interest revenue is recognised on an accruals basis. Dividend revenue is recognised when the right to receive a dividend has been established. Entry fees are recognised as revenue in the month that funds are received by the trusts. Management fees are recognised as revenue on a monthly basis, based on the fees receivable for funds under management for that month. Performance fees are recognised as revenue, on a six monthly basis (at 30 June and 31 December) when the fee becomes unconditionally due. The fees are receivable within seven days from the end of the relevant period.
All revenue is stated net of the amount of goods and services tax (GST).

m. 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 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.

n. Charitable donations

The Company donates 5% of the profits of the Consolidated Entity (pre staff profit share expense, IEF related unrealised profits and tax) to charities and charitable causes. This donation is recognised as an expense for the year and a liability is recognised at year end.

o. Comparative figures

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

p. Critical Accounting Estimates and Judgements

The Directors evaluate estimates and judgements 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 Consolidated Entity.

Key estimates - Deferred Tax Assets
Deferred Tax Assets have been recognised for all deductible temporary differences to the extent that the Directors consider it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

Key estimates - Impairment

At each reporting date, the Consolidated Entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset’s fair value less costs to sell and value in use, is compared to the asset’s carrying value. Any excess of the asset’s carrying value over its recoverable amount is expensed to the income statement.
Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.
No impairment has been recognised in respect of goodwill for the year ended 30 June 2009.

q. Rounding of amounts

Unless otherwise shown in the financial statements, amounts have been rounded to the nearest thousand dollars and are shown in A$’000.
Hunter Hall International Limited is a company of the kind referred to in the Australian Securities and Investments Commission Class Order 98/100 issued 10 July 1998.

r. New accounting standards for application in future periods

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

(i) *AASB 8: Operating Segments and AASB 2007-3: Amendments to Australian Accounting Standards* arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 & AASB 1038] (applicable for annual reporting periods commencing from 1 January 2009). AASB 8 replaces AASB 114 and requires identification of operating segments on the basis of internal reports that are regularly reviewed by the Consolidated Entity's Board for the purposes of decision making. Management does not presently believe that the current presentation will be affected.

(ii) *AASB 101: Presentation of Financial Statements, AASB 2007-8: Amendments to Australian Accounting Standards arising from AASB 101, and AASB 2007-10: Further Amendments to Australian Accounting Standards arising from AASB 101* (all applicable to annual reporting periods commencing from 1 January 2009). The revised AASB 101 and amendments supersede the previous AASB 101 and redefines the composition of financial statements including the inclusion of a statement of comprehensive income. There will be no measurement or recognition impact on the Consolidated Entity.

(iii) *AASB 2008-1: Amendments to Australian Accounting Standard – Share-based Payments: Vesting Conditions and Cancellations [AASB 2]* (applicable for annual reporting periods commencing from 1 January 2009). This amendment to AASB 2 clarifies that vesting conditions consist of service and performance conditions only. Other elements of a share-based payment transaction should therefore be considered for the purposes of determining fair value. Cancellations are also required to be treated in the same manner whether cancelled by the entity or by another party. Management does not believe that current calculation will be materially impacted.

The Consolidated Entity does not anticipate early adoption of any of the above reporting requirements and does not expect these requirements to have any material effect on the Consolidated Entity's financial statements.

NOTE 2 : REVENUE

	Consolidated		Parent	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Management fee income	27,699	42,107	29,019	39,039
Administration fee income	1,562	1,523	1,563	1,526
Performance fee income	3,986	19	3,953	286
Entry fee income	300	780	-	-
Interest received	752	1,294	319	851
Dividend income	370	517	-	4,027
Trust expenses reimbursed	2,563	3,411	2,563	3,411
Net gain on disposal of investments available for sale	-	1,286	-	-
Other	-	1	-	-
	37,232	**50,938**	**37,417**	**49,140**

NOTE 3 : OTHER INCOME

	Consolidated		Parent	
	2009	2008	2009	2008
Changes in:	$'000	$'000	$'000	$'000
Fair value gains of financial instruments designated as fair value through the profit and loss	150	-	-	-
Fair value gains on translation	259	-	259	-
Fair value of derivative financial instruments	9	671	9	671
	418	**671**	**268**	**671**

NOTE 4 : PROFIT FOR THE YEAR

	Consolidated		Parent	
Profit before income tax has been determined after charging:	**2009**	**2008**	**2009**	**2008**
a. Expenses	**$'000**	**$'000**	**$'000**	**$'000**
Depreciation of property, plant and equipment	228	245	225	242
Amortisation of intangible asset	95	111	95	111
Finance costs - other persons	332	501	332	501
Operating lease expense	641	358	425	423
Changes in fair value of derivative financial instruments	674	-	674	-
Employee bonuses	424	593	395	585
PM profit share expense	-	1,211	-	978
PM profit share expense - recharged through subsidiaries	-	-	(108)	-
Employee share based payments expense	484	1,616	447	1,088
Performance fee paid net	(2,026)	(150)	(1,993)	-
Performance fee paid - recharge through subsidiaries	-	-	-	6,285
b. Significant revenue, net gains and expenses				
Revenue				
Net gain on disposal of investments available for sale	-	1,286	-	-
Expenses				
PM share based payments (writeback)/expense	(1,903)	719	(922)	329
Commissions expense	664	1,192	660	1,189
Fair value losses of financial instruments designated as fair value through the profit and loss	12,202	3,221	-	-

The following revenue and expense items are relevant in explaining the financial performance for the year:

	Consolidated 2009	Consolidated 2008	Parent 2009	Parent 2008
Employee Option Plan	(484)	(1,616)	(447)	(1,088)
Portfolio Manager Share Plan (1)	1,903	(719)	922	(329)
Equity based payments expense	**1,419**	**(2,335)**	**475**	**(1,417)**
Employee bonus	(424)	(593)	(395)	(585)
Portfolio Manager Profit Plan	-	(1,211)	108	(978)
Total employee bonuses	**(424)**	**(1,804)**	**(287)**	**(1,563)**
Gross performance fee earned	3,986	19	3,953	286
Performance fee expense recharged through subsidiaries	-	-	-	6,285
Performance fee paid to Investment team (2)	(1,993)	(150)	(1,993)	-
Performance fee paid to charities (2)	(33)	-	-	-
Net performance fee	**1,960**	**(131)**	**1,960**	**6,571**

(1) At the General Meeting held 22nd September 2006, HHIL Shareholders approved the Portfolio Manager Share Plan (PMSP). The PMSP enables the Portfolio Manager team to purchase up to 2.35 million shares in Hunter Hall indirectly from Hampshire Assets and Services Pty Ltd, subject to five thresholds of half yearly pre tax profit starting at $8million and rising in four steps to $20 million over the period to June 2015. The amount expensed in these financial statements are based on the Director's best estimates of when each threshold will be met. The first threshold of $8 million was met in the six months ending 31 December 2006. The second threshold of $10.5 million was met in the six months ending 30 June 2007.

(2) In accordance with management contracts, 50% of the gross performance fee earned by HHL is paid to the investment management team as disclosed in the Initial Public Offer Prospectus dated 12 January 2001 and in addition, 20% of the gross performance fee earned from the Hunter Hall Global Deep Green Trust is payable to Charity.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

NOTE 5 : INCOME TAX EXPENSE	Note	Consolidated		Parent	
		2009 $'000	2008 $'000	2009 $'000	2008 $'000
a. The components of tax expense comprise:					
Current tax		5,273	7,889	5,015	6,516
Deferred tax asset	17	684	(457)	180	(347)
Deferred tax liability	26	(925)	(283)	(5)	11
Share based payments tax reserves		(1,342)	(449)	-	-
Adjustments for current tax of prior periods		667	-	104	-
		4,357	**6,700**	**5,294**	**6,180**
b. The prima facie tax on profit before tax is reconciled to the income tax expense provided in the financial report as follows:					
Prima facie tax payable on profit from ordinary activities before income tax at 30%					
Consolidated entity		1,737	6,678	-	-
Parent entity		-	-	5,328	6,982
Other members of the income tax consolidated group net of intercompany transactions		-	-	(251)	1,336
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:					
Other non allowable items		511	(211)	5	(19)
Share based payment expenses during the year		(143)	425	(143)	425
Share based payment exercised during the year		311	(275)	-	-
		2,416	**6,617**	**4,938**	**8,724**
Under (over) provision in prior years		667	-	104	-
Subsidiary not subject to income tax		1,274	83	-	-
Rebateable fully franked dividend		-	-	-	(1,208)
		1,941	**83**	**104**	**(1,208)**
Income tax expense attributable to entity		**4,357**	**6,700**	**5,043**	**7,516**
Income tax expense attributable to wholly-owned subsidiaries under the tax sharing agreement		-	-	251	(1,336)
Total income tax expense		**4,357**	**6,700**	**5,294**	**6,180**
The applicable weighted average effective tax rates are as follows:		75%	30%	30%	27%

The increase in the weighted average effective consolidated tax rate for 2009 is the result of a decrease in profits of subsidiary not subject to income tax.

NOTE 6 : KEY MANAGEMENT PERSONNEL COMPENSATION

Refer to the Remuneration Report contained in the Directors Report for details of the remuneration paid or payable to each member of the Consolidated Entity's Key Management Personnel for the year ended 30 June 2009.

The totals of remuneration paid to KMP of the Company and the Consolidated Entity during the year are as follows:

	2009	2008
Short-term employee benefits	2,327,225	2,406,913
Post-employment benefits	139,313	112,565
Share-based payments	632,000	1,288,757
Total	**3,098,538**	**3,808,236**

Key Management Personnel

Names and positions held of Directors and other Key Management Personnel of the Company and Consolidated Entity in office at any time during the financial year are:

Peter James MacDonald Hall	Chairman, Managing Director
Jack Theseus Lowenstein	Executive Director
David Barclay Buckland	Executive Director
James Fisher McDonald	Executive Director
Michael Walsh	Executive Director
William Wayne Hawkins	Lead Non Executive Director
Mark Benedict Forstmann	Non Executive Director
Suzanne Mary Daniel	Non Executive Director
Rick Taylor	Non Executive Director
Ouafaa Karim	Company Secretary
Paula Ferrao	Chief Financial Officer
James Hordern	Manager - Business Development and Marketing

There were no other employees meeting the definition of a Key Management Personnel.

a. Option holdings - options granted as remuneration

Number of options held by Key Management Personnel

2009	Balance at start of the year	Granted as compen-sation	Exercised	Forfeited	Balance at end of the year	Vested during the year	Vested and exercisable	Vested and unexercisable
Directors of Hunter Hall International Limited								
Mr J T Lowenstein	130,000	-	(10,000)	-	120,000	44,000	20,000	14,000
Mr D B Buckland	195,000	-	-	-	195,000	39,000	-	39,000
Mr J F McDonald	450,000	-	-	(20,000)	430,000	100,000	-	100,000
Mr M Walsh	-	50,000	-	-	50,000	-	-	-
Mr M B Forstmann	8,000	-	-	(4,000)	4,000	4,000	4,000	-
Other Key Management Personnel of the Consolidated Entity								
Ms O Karim	42,000	25,000	-	-	67,000	10,000	5,000	5,000
Ms P Ferrao	62,000	25,000	-	(8,000)	79,000	15,000	5,000	10,000
Mr J Hordern	46,000	25,000	-	-	71,000	10,000	9,000	1,000
Total	**933,000**	**125,000**	**(10,000)**	**(32,000)**	**1,016,000**	**222,000**	**43,000**	**169,000**

There were 208,000 vested and exercisable options held by Key Management Personnel as at balance date.
All options vest within 1 to 5 years of grant date and expire within 1 year of vesting. Options are granted to Key Management Personnel at the discretion of the Board. Exercise price nears the market price at date of the grant. The service and performance criteria set to determine compensation are included per Note 29. All options were granted for nil consideration.

NOTE 6 : KEY MANAGEMENT PERSONNEL COMPENSATION (continued)

2008	Balance at start of the year	Granted as compen-sation	Exercised	Forfeited	Balance at end of the year	Vested during the year	Vested and exercisable	Vested and unexercisable
Directors of Hunter Hall International Limited								
Mr J T Lowenstein	100,000	70,000	(40,000)	-	130,000	40,000	-	-
Mr D B Buckland	-	195,000	-	-	195,000	-	-	-
Mr J F McDonald	520,000	-	(70,000)	-	450,000	90,000	20,000	-
Mr M B Forstmann	12,000	-	(4,000)	-	8,000	4,000	4,000	-
Other Key Management Personnel of the Consolidated Entity								
Ms O Karim	19,000	25,000	(2,000)	-	42,000	2,000	-	-
Ms P Ferrao	40,000	25,000	(3,000)	-	62,000	10,000	7,000	-
Mr J Hordern	25,000	25,000	(4,000)	-	46,000	-	-	-
Total	**716,000**	**340,000**	**(123,000)**	-	**933,000**	**146,000**	**31,000**	**-**

b. Shareholdings

Number of shares held by Key Management Personnel

2009	Balance at start of the year	Granted as remuneration during the year	Received during the year on the exercise of options	PM shares converted to ordinary shares	Other changes during the year	Balance at end of the year
Directors of Hunter Hall International Limited						
Mr P M Hall	11,529,998	-	-	-	422,272	11,952,270
Mr J T Lowenstein	493,716	-	10,000	-	(46,244)	457,472
Mr D B Buckland	930,000	-	-	-	(676,520)	253,480
Mr J F McDonald	330,000	-	-	-	-	330,000
Mr M Walsh	9,953	-	-	-	25,094	35,047
Mr W W Hawkins	48,000	-	-	-	-	48,000
Mr M B Forstmann	60,160	-	-	-	(39,945)	20,215
Ms S M Daniel	50,000	-	-	-	-	50,000
Other Key Management Personnel of the Consolidated Entity						
Ms O Karim	87,575	198	-	-	-	87,773
Ms P Ferrao	60,097	198	-	-	(14,946)	45,349
Mr J Hordern	75	198	-	-	-	273
Total	**13,599,574**	**594**	**10,000**	**-**	**(330,289)**	**13,279,879**

2008	Balance at start of the year	Granted as remuneration during the year	Received during the year on the exercise of options	PM shares converted to ordinary shares	Other changes during the year	Balance at end of the year
Directors of Hunter Hall International Limited						
Mr P M Hall	12,144,998	-	-	-	(615,000)	11,529,998
Mr J T Lowenstein	271,298	-	40,000	180,000	2,418	493,716
Mr D B Buckland	880,000	-	-	-	50,000	930,000
Mr J F McDonald	260,000	-	70,000	-	-	330,000
Mr M Walsh	9,953	-	-	-	-	9,953
Mr W W Hawkins	48,000	-	-	-	-	48,000
Mr M B Forstmann	40,000	-	4,000	-	16,160	60,160
Ms S M Daniel	50,000	-	-	-	-	50,000
Other Key Management Personnel of the Consolidated Entity						
Ms O Karim	85,500	75	2,000	-	-	87,575
Ms P Ferrao	57,022	75	3,000	-	-	60,097
Mr J Hordern	-	75	4,000	-	(4,000)	75
Total	**13,846,771**	**225**	**123,000**	**180,000**	**(550,422)**	**13,599,574**

c. Other Key Management Personnel Transactions

There have been no other transactions involving equity instruments other than those described in the tables above. For details of other transactions with Key Management Personnel, refer to Note 33: Related Party Transactions.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2009

NOTE 7 : REMUNERATION OF AUDITORS	Consolidated 2009 $	Consolidated 2008 $	Parent 2009 $	Parent 2008 $
Remuneration of the Auditor of the Company for:				
Audit and review of financial reports	94,350	89,500	69,500	66,750
Other audit and assurance services	25,850	23,185	14,450	11,785
	120,200	**112,685**	**83,950**	**78,535**
Remuneration of Auditors affiliates for:				
Audit of the financial report of a subsidiary	87,680	24,750	-	-
Taxation services	8,656	2,928	-	-
	96,335	**27,678**	**-**	**-**
Remuneration of other Auditors for:				
Audit and review of financial reports of a subsidiary	44,235	91,596	-	-
	44,235	**91,596**	**-**	**-**

NOTE 8 : DIVIDENDS	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent 2009 $'000	Parent 2008 $'000
Fully franked ordinary dividend of 40.6 cents per share (2008: 52.5 cents) franked at the tax rate of 30%	10,392	13,296	10,392	13,296
Fully franked interim dividend of 18.6 cents per share (2008: 36.7 cents) franked at the tax rate of 30%	4,776	9,339	4,776	9,339
	15,168	**22,635**	**15,168**	**22,635**
a. Proposed final fully franked dividend of 26.4 cents per share (2008: 40.6 cents) franked at the tax rate of 30%	6,774	10,390	6,774	10,390
b. Balance of franking account at year end adjusted for franking credits arising from payment of provision for income tax and dividends recognised as receivables, franking debits arising from payment of dividends provided for and franking credits that may not be distributable in subsequent financial years.	-	-	3,763	5,399
c. Subsequent to year end, the franking account would be reduced by the proposed dividend reflected per Note 8a. as follows:	-	-	860	946

NOTE 9 : EARNINGS PER SHARE

	Consolidated		Parent	
	2009	2008	2009	2008
a. Reconciliations of earnings used in calculating earnings per share	$'000	$'000	$'000	$'000
Profit from continuing operations	1,433	15,559	-	-
Profit/(loss) from continuing operations attributable to minority interests	6,009	1,347	-	-
Profit attributable to the ordinary equity holders of the company used in calculating basic and diluted earnings per share	**7,442**	**16,906**	**-**	**-**

	Consolidated		Parent	
	2009	2008	2009	2008
b. Weighted average number of shares used as the denominator	Number	Number	Number	Number
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic EPS	25,690	25,383	-	-
Effect of dilutive share options	1,312	663	-	-
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	**27,002**	**26,046**	**-**	**-**

NOTE 10 : CASH AND CASH EQUIVALENTS

	Consolidated		Parent	
	2009	2008	2009	2008
Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to items in the balance sheet as follows:	$'000	$'000	$'000	$'000
Cash at bank and in hand	20,905	26,673	12,523	21,243
	20,905	**26,673**	**12,523**	**21,243**

NOTE 11 : TRADE AND OTHER RECEIVABLES

	Note	Consolidated		Parent	
		2009	2008	2009	2008
Amounts receivable from related parties:		$'000	$'000	$'000	$'000
Managed investment entities	33	6,790	4,468	64	510
Other director related entities	33	34	25	34	25
Subsidiaries	33	-	-	6,249	5,478
		6,824	**4,493**	**6,347**	**6,013**
Other receivables		258	193	213	127
		258	**193**	**213**	**127**
		7,082	**4,686**	**6,560**	**6,140**

NOTE 12 : CURRENT FINANCIAL ASSETS

	Consolidated		Parent	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Forward contracts at fair value	275	266	275	266
	275	**266**	**275**	**266**

NOTE 13 : OTHER CURRENT ASSETS

	Consolidated		Parent	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Prepayments	282	284	233	231
	282	**284**	**233**	**231**

NOTE 14 : SUBSIDIARIES

a.

Name of entity	Country of incorporation	Class of shares	Percentage Owned 2009 %	2008 %
Hunter Hall Investment Management Ltd	Australia	Ordinary	**100**	100
Rushcutter Investments Pty Ltd	Australia	Ordinary	**100**	100
Bennelong Administration Services Pty Ltd	Australia	Ordinary	**100**	100
Hunter Hall Superannuation Company Pty Ltd	Australia	Ordinary	**100**	100
Hunter Hall International (UK) Ltd	United Kingdom	Ordinary	**100**	100
Hunter Hall International Ethical No. 1 Fund	Ireland	Ordinary	**48**	46

b. Acquisition of a controlled entity:

On 28 October 2005 Hunter Hall Investment Management Ltd subscribed for 39,346 additional shares in Hunter Hall International Ethical No.1 Fund to increase its total holding to 70.71%, with Hunter Hall Investment Management Ltd entitled to all profits earned from 28 October 2005, for a purchase consideration of $9,500,000. As at the balance date the total holding in the Hunter Hall International Ethical No.1 Fund is 48.02% (2008: 46.33%). The increase in the year results from shares redeemed by third parties. Two of the six Directors of Hunter Hall International Ethical No.1 Fund are also Directors of the parent, Hunter Hall International Limited, and as such the Fund is a controlled entity as HHL has the power to govern the financial and operating policies of the Fund so as to obtain benefit from its activities.

NOTE 15 : NON-CURRENT FINANCIAL ASSETS

	Note	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent 2009 $'000	Parent 2008 $'000
Shares in listed companies designated as fair value through the profit and loss		15,355	22,996	-	-
Units in unit trusts available for sale at fair value		15	1,948	-	-
Investments in controlled entities at cost	14	-	-	15,496	13,940
		15,370	**24,944**	**15,496**	**13,940**

NOTE 16 : PROPERTY PLANT AND EQUIPMENT

Office equipment, furniture and fittings:	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent 2009 $'000	Parent 2008 $'000
Balance at the beginning of the year	621	653	591	618
Additions	113	213	104	215
Depreciation	(229)	(245)	(226)	(242)
Carrying amount at the end of the year	**505**	**621**	**469**	**591**
Cost	1,846	1,733	1,797	1,693
Accumulated depreciation	(1,341)	(1,112)	(1,328)	(1,102)
Net book amount	**505**	**621**	**469**	**591**

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2009

NOTE 17 : DEFERRED TAX ASSETS	Note	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent 2009 $'000	Parent 2008 $'000
a. The balance comprises temporary differences attributable to:					
Provisions		1,299	2,611	1,092	1,128
Other		832	204	-	144
		2,131	**2,815**	**1,092**	**1,272**
b. Reconciliations:					
Opening balance		2,815	2,358	1,272	925
Credited to the income statement	5	(684)	457	(180)	347
Closing balance at 30 June		**2,131**	**2,815**	**1,092**	**1,272**

Movements in carrying amounts

Movement in the carrying amounts for each class of deferred tax asset between the beginning and the end of the current financial year:

Movements - Consolidated	Provisions $'000	Fair value adjustments $'000	Other $'000	Total $'000
At 30 June 2007	1,958	-	400	**2,358**
Charged/(credited) to the income statement	653	-	(196)	**457**
At 30 June 2008	**2,611**	**-**	**204**	**2,815**
At 30 June 2008	2,611	-	204	**2,815**
Charged/(credited) to the income statement	(1,312)	-	628	**(684)**
At 30 June 2009	**1,299**	**-**	**832**	**2,131**

Movements – Parent	Provisions $'000	Fair value adjustments $'000	Other $'000	Total $'000
At 30 June 2007	585	-	340	**925**
Charged/(credited) to the income statement	543	-	(196)	**347**
At 30 June 2008	**1,128**	**-**	**144**	**1,272**
At 30 June 2008	1,128	-	144	**1,272**
Charged/(credited) to the income statement	(36)	-	(144)	**(180)**
At 30 June 2009	**1,092**	**-**	**-**	**1,092**

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2009

NOTE 18 : INTANGIBLE ASSETS	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent 2009 $'000	Parent 2008 $'000
Goodwill	110	110	-	-
Software				
At cost	1,199	1,199	1,199	1,199
Accumulated amortisation and impairment	(864)	(769)	(864)	(769)
Net carrying value	**335**	**430**	**335**	**430**
Total intangible assets	**445**	**540**	**335**	**430**

Movements in carrying amounts

Movement in the carrying amounts for each class of intangible asset between the beginning and the end of the current financial year:

Movements - Consolidated	Goodwill $'000	Computer Software $'000	Total $'000
At 30 June 2007	110	479	**589**
Additions	-	62	**62**
Amortisation charge	-	(111)	**(111)**
At 30 June 2008	**110**	**430**	**540**
At 30 June 2008	110	430	**540**
Additions	-	-	**-**
Amortisation charge	-	(95)	**(95)**
At 30 June 2009	**110**	**335**	**445**

Movements – Parent	Goodwill $'000	Computer Software $'000	Total $'000
At 30 June 2007	-	479	**479**
Additions	-	62	**62**
Amortisation charge	-	(111)	**(111)**
At 30 June 2008	**-**	**430**	**430**
At 30 June 2008	-	430	**430**
Additions	-	-	**-**
Amortisation charge	-	(95)	**(95)**
At 30 June 2009	**-**	**335**	**335**

NOTE 19 : TRADE AND OTHER PAYABLES	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent 2009 $'000	Parent 2008 $'000
Amounts due to related parties:				
Managed investment entities	-	10	-	10
Subsidiaries	-	-	3,138	4,942
	-	**10**	**3,138**	**4,952**
Accrued charitable donations	820	1,164	816	1,160
Payable to investment team	2,500	1,055	2,500	1,055
Sundry creditors and accrued expenses	1,356	3,177	521	1,009
	4,676	**5,396**	**3,837**	**3,224**
	4,676	**5,406**	**6,975**	**8,176**

NOTE 20 : CURRENT TAX LIABILITIES	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent 2009 $'000	Parent 2008 $'000
Income tax	1,465	609	1,454	1,647
	1,465	**609**	**1,454**	**1,647**
Movements in tax liabilities				
Carrying amount at beginning of year	609	2,982	1,647	3,336
Current year tax expense	4,357	6,617	5,545	6,052
Movement in deferred tax	241	739	(175)	336
Tax attributed from consolidated foreign subsidiary	1,342	83	-	-
Rebateable fully franked dividend	-	-	-	1,208
Tax attributable to subsidiaries	-	-	(251)	128
Tax paid	(5,084)	(9,812)	(5,312)	(9,413)
Carrying amount at end of year	**1,465**	**609**	**1,454**	**1,647**

NOTE 21 : SHORT TERM PROVISIONS	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent 2009 $'000	Parent 2008 $'000
Employee benefits provision	317	222	317	222
	317	**222**	**317**	**222**
Movements in provisions				
Opening employee benefits	222	221	222	221
Employee benefits accrued during the year	485	392	485	392
Employee benefits used during the year	(390)	(391)	(390)	(391)
Carrying amount at end of year	**317**	**222**	**317**	**222**

NOTE 22 : SHORT TERM BORROWINGS	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent 2009 $'000	Parent 2008 $'000
Bank loan (1)	3,000	-	3,000	-
	3,000	**-**	**3,000**	**-**

NOTE 23 : OTHER CURRENT LIABILITIES	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent 2009 $'000	Parent 2008 $'000
PM shares deposits paid	-	39	-	39
	-	**39**	**-**	**39**

NOTE 24 : LONG TERM PROVISIONS	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent 2009 $'000	Parent 2008 $'000
Employee benefits provision	296	309	296	309
	296	**309**	**296**	**309**
Movements in provisions				
Opening employee benefits	309	144	309	144
Employee benefits accrued during the year	(13)	165	(13)	165
Carrying amount at end of year	**296**	**309**	**296**	**309**

NOTE 25 : LONG TERM BORROWINGS	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent 2009 $'000	Parent 2008 $'000
Bank loan (1)	-	6,000	-	6,000
	-	**6,000**	**-**	**6,000**

(1) The bank loan is secured by a first registered charge over all the assets and undertakings of Hunter Hall International Limited and Hunter Hall Investment Management Limited.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2009

NOTE 26 : DEFERRED TAX LIABILITIES

	Note	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent 2009 $'000	Parent 2008 $'000
a. The balance comprises temporary differences attributable to:					
Fair value adjustments		-	91	86	91
Attribution of foreign subsidiary		-	834	-	-
		-	**925**	**86**	**91**
b. Reconciliations:					
Opening balance		925	1,207	91	80
Credited to the income statement	5	(925)	(282)	(5)	11
Closing balance at 30 June		**-**	**925**	**86**	**91**

Movements in carrying amounts

Movement in the carrying amounts for each class of deferred tax liability between the beginning and the end of the current financial year:

Movements - Consolidated	**Fair value adjustments $'000**	**Attribution of foreign subsidiary $'000**	**Total $'000**
At 30 June 2007	80	1,127	**1,207**
Charged/(credited) to the income statement	11	(293)	**(282)**
At 30 June 2008	**91**	**834**	**925**
At 30 June 2008	91	834	**925**
Charged/(credited) to the income statement	(91)	(834)	**(925)**
At 30 June 2009	**-**	**-**	**-**

Movements – Parent	**Fair value adjustments $'000**	**Attribution of foreign subsidiary $'000**	**Total $'000**
At 30 June 2007	80	-	**80**
Charged/(credited) to the income statement	11	-	**11**
At 30 June 2008	**91**	**-**	**91**
At 30 June 2008	91	-	**91**
Charged/(credited) to the income statement	(5)		**(5)**
At 30 June 2009	**86**	**-**	**86**

NOTE 27 : OTHER NON-CURRENT LIABILITIES

	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent 2009 $'000	Parent 2008 $'000
PM shares deposits paid	270	423	270	423
	270	**423**	**270**	**423**

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2009

NOTE 28 : ISSUED CAPITAL	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent 2009 $'000	Parent 2008 $'000
Ordinary shares at cost	18,874	17,373	18,874	17,373
	18,874	**17,373**	**18,874**	**17,373**

	Consolidated 2009 Number	Consolidated 2008 Number	Parent 2009 Number	Parent 2008 Number
Ordinary shares on issue	25,806,999	25,542,811	25,806,999	25,542,811
	25,806,999	**25,542,811**	**25,806,999**	**25,542,811**

a. **Movements in ordinary share capital**	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent 2009 $'000	Parent 2008 $'000
Opening balance	17,373	13,937	17,373	13,937
Shares issued during the year under the Dividend Reinvestment Plan	1,215	1,927	1,215	1,927
Options exercised	286	1,509	286	1,509
Closing balance	**18,874**	**17,373**	**18,874**	**17,373**
	Number	**Number**	**Number**	**Number**
Opening balance	25,542,811	25,155,738	25,542,811	25,155,738
Shares issued during the year under the Dividend Reinvestment Plan	216,112	140,273	216,112	140,273
Options exercised	48,076	246,800	48,076	246,800
Closing balance	**25,806,999**	**25,542,811**	**25,806,999**	**25,542,811**

b. Share rights

Ordinary shares participate in dividends and the proceeds on winding up the Company in proportion to the number of shares held. At shareholder 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.

c. Share options

At the end of the year there were 1,838,600 (2008: 1,935,800) unissued ordinary shares in respect of which options were outstanding. Vesting of options granted is subject to continuation of engagement with the Company.

d. Portfolio Manager (PM) shares

PM Shares are non-transferable, partly paid shares, with an issue price of $6 each. The shares are convertible to Ordinary Shares subject to certain hurdles being met. The Directors may, at their discretion, declare a non-cumulative dividend is payable on PM Shares up to a maximum of 4% on the amount paid on the shares, subject to the amount not exceeding the dividend for the Ordinary Shares. Ordinary Shares issued because of a conversion of PM Shares have the same rights as, and rank equally with, other Ordinary Shares on issue.

For financial reporting purposes the PM Shares are treated as options under AASB 2: Share Based Payments. 870,000 PM Shares remain on issue at year end. For further details refer to note 29b.

NOTE 29 : SHARE-BASED PAYMENTS

a. Employee share option plan

At the end of the year there were 1,838,600 (2008: 1,935,800) unissued ordinary shares in respect of which options were outstanding. Vesting of options granted is subject to continuation of engagement with the Company.

The Employee Share Option Plan (ESOP) allows the Company to grant options over shares to employees, key executives and Directors.

Eligibility

Under the ESOP the Board may offer options to purchase ordinary shares in the Company to Directors, executives and other employees of the Company (Eligible Executives), whom the Board in its sole discretion determines.

Option Issue

The consideration for options is an amount equal to the exercise price, but payment is deferred until the options are exercised. Options may generally not be transferred. Options will not be quoted on the ASX. However, the Company will apply for official quotation of shares issued on the exercise of options. Shares issued through the exercise of options rank equally with other ordinary shares of the Company.

Exercise Price, Exercise Period and other terms:

Consolidated and parent - 2009

Grant Date	Expire date	Exercise price	Balance at start of the year	Granted during the year	Exercised during the year	Forfeited during the year	Balance at end of the year	Vested and exercisable	Vested and unexercisable
Between 6 December 2002 and	30-Jun-09	$4.00	54,000	-	(3,000)	(46,000)	5,000	-	5,000
23 November 2003	31-Dec-09	$4.50	20,000	-	-	-	20,000	20,000	-
7 March 2006 (2)	30-Jun-12	$5.80	380,000	-	(30,000)	(240,000)	110,000	-	20,000
25 February 2004	28-Feb-10	$5.85	14,200	-	(3,000)	(4,600)	6,600	6,600	-
22 August 2006	30-Jun-11	$6.00	48,000	-	-	(48,000)	-	-	-
Between 26 July 2004 and 25	30-Jun-12	$6.85	148,600	-	(12,076)	(68,524)	68,000	4,000	14,400
22 September 2006	30-Jun-12	$8.00	200,000	-	-	-	200,000	-	50,000
23 October 2006	30-Jun-13	$9.00	56,000	-	-	(8,000)	48,000	12,000	-
25 May 2007 and 20 Nov 2007	30-Jun-13	$13.00	545,000	-	-	(49,000)	496,000	-	99,200
31 July 2007 and 25 September 2007	31-Dec-13	$15.00	120,000	-	-		120,000	28,000	-
8 October 2007	31-Dec-13	$15.50	150,000	-	-	(10,000)	140,000	24,000	-
17 March 2008	30-Jun-14	$10.50	200,000	-	-	(200,000)	-	-	-
28 November 2008	30-Jun-14	$11.00	-	50,000	-	-	50,000	-	-
26 June 2009	30-Jun-15	$5.15	-	575,000	-	-	575,000	-	-
Total			**1,935,800**	**625,000**	**(48,076)**	**(674,124)**	**1,838,600**	**94,600**	**188,600**
Weighted average exercise price			$9.98	$5.62	$5.95	$7.90	$9.36	$11.16	$10.20

(1) Not issued under the Employee Option Plan

(2) Of which 30,000 were not issued under the Employee Option Plan

NOTE 29 : SHARE-BASED PAYMENTS (continued)

Consolidated and parent - 2008

Grant Date	Expire date	Exercise price	Balance at start of the year	Granted during the year	Exercised during the year	Forfeited during the year	Balance at end of the year	Vested and exercisable	Vested and unexercisable
Between 22 December 2000 and	30-Mar-08	$0.40	4,000	-	(4,000)	-	-	-	-
Between 6 December 2002 and	30-Sep-09	$4.00	84,000	-	(30,000)	-	54,000	44,000	-
23 November 2003	31-Mar-09	$4.50	40,000	-	(20,000)	-	20,000	-	-
7 March 2006 (3)	30-Jun-12	$5.80	450,000	-	(70,000)	-	380,000	20,000	-
25 February 2004	28-Feb-10	$5.85	16,800	-	(2,600)	-	14,200	5,600	-
22 August 2006	30-Jun-11	$6.00	64,000	-	(16,000)	-	48,000	-	-
Between 26 July 2004 and 25	30-Jun-12	$6.85	206,800	-	(50,200)	(8,000)	148,600	14,000	-
22 September 2006	30-Jun-12	$8.00	250,000	-	(50,000)	-	200,000	-	-
23 October 2006	30-Jun-13	$9.00	60,000	-	(4,000)	-	56,000	-	-
25 May 2007 and 20 Nov 2007	30-Jun-13	$13.00	295,000	265,000	-	(15,000)	545,000	-	-
31 July 2007 and 25 September 2007	30-Jun-13	$15.00	-	120,000	-	-	120,000	-	-
8 October 2007	31-Dec-13	$15.50	-	150,000	-	-	150,000	-	-
17 March 2008	30-Jun-14	$10.50	-	200,000	-	-	200,000	-	-
Total			**1,470,600**	**735,000**	**(246,800)**	**(23,000)**	**1,935,800**	**83,600**	**-**
Weighted average exercise price			$7.75	$13.16	$6.11	$10.86	$9.98	$6.45	$0.00

(1) Of which 10,000 were not issued under the Employee Option Plan
(2) Not issued under the Employee Option Plan
(3) Of which 50,000 were not issued under the Employee Option Plan

The weighted average fair value of the options granted during the year was $1,109,895 (2008: $2,812,019).
The weighted average remaining contractual life of share options outstanding at the end of the period was 4.41 years (2008: 4.39 years).

The price was calculated by using a Black Scholes option pricing model applying the following inputs:
(a) weighted average exercise price: $5.62 (2008: $14.65)
(b) weighted average life of the options: 5 years (2008: 5 years)
(c) underlying share price: $5.04 (2008: $15.55)
(d) expected share price volatility: 61.91% (2008: 27.42%)
(e) risk free interest rate: 4.64% (2008: 6.47%)

Historical volatility has been the basis for determining expected share price volatility as it is assumed that this is the best indicator of future volatility, which may not eventuate. The life of the options is based on the historical exercise patterns, which may not eventuate in the future. Included in the income statement is $484,017 (2008: $1,615,265) of employee option plan expense, and relates, in full, to equity-settled share-based payment transactions.

b. PM Share Plan

On 22 September 2006 Hunter Hall International Limited held a general meeting of shareholders to approve the adoption of the Portfolio Manager Share Plan (PMSP). The PMSP enables the Portfolio Managers to purchase up to 2.35 million shares in HHL indirectly from Hampshire Assets and Services Pty Ltd (the largest shareholder of HHL and 100% owned by Chairman Peter Hall) for $6 each. Purchase of the shares is contingent upon the Company achieving each of the five thresholds of half yearly pre-tax profits starting at $8 million and rising in four steps to $20 million over the period to 30 June 2015.

Accounting standards require that the class PM shares issued under the PMSP be treated as options and expensed in the financial statements. This note therefore sets out the terms and inputs associated with valuation of the class PM shares as options in accordance with accounting standards.

Eligibility

The three people participating in the PMSP are David Buckland, Jack Lowenstein and James McDonald.

NOTE 29 : SHARE-BASED PAYMENTS (continued)

Share issue

In the half year to 31 December 2006 the Company achieved the first threshold of $8 million in half yearly pre-tax profits, giving the Portfolio Managers the right to purchase 470,000 shares in the Company at $6 each. In the half year to 30 June 2007 the second threshold target of $10.5 million pre-tax profits was met, giving the Portfolio Managers the right to purchase an additional 470,000 shares in the Company at $6 each. No further thresholds have been met during the financial year. As at the balance date 840,000 shares have been purchased from Hampshire Assets and Services Pty Ltd.

Exercise Price, Exercise Period and other terms:

Consolidated and parent - 2009

Grant Date	Expire date	Exercise price	Balance at start of the year	Granted during the year	Exercised during the year	Forfeited during the year	Balance at end of the year	Vested and exercisable	Vested and unexercisable
22 September 2006	30-Jun-15	$6.00	1,510,000	-	-	(640,000)	870,000	-	-
Total			**1,510,000**	**-**	**-**	**(640,000)**	**870,000**	**-**	**-**
Weighted average exercise price			$6.00	-	-	$0.00	$6.00	-	-

Consolidated and parent - 2008

Grant Date	Expire date	Exercise price	Balance at start of the year	Granted during the year	Exercised during the year	Forfeited during the year	Balance at end of the year	Vested and exercisable	Vested and unexercisable
22 September 2006	30-Jun-15	$6.00	2,150,000	-	(640,000)	-	1,510,000	100,000	-
Total			**2,150,000**	**-**	**(640,000)**	**-**	**1,510,000**	**100,000**	**-**
Weighted average exercise price			$6.00	-	$6.00	-	$6.00	$6.00	-

No PM Share Options were granted during the financial year (2008: nil).
Fair value was calculated by using a binomial option pricing model applying the following inputs:

(a) weighted average exercise price: $6.00 (2008: $6.00)
(b) vesting/expiry dates: estimated date each hurdle will be met, based on FUM projections. Last expiry date 30 June 2015 (2008: 31 December 2012)
(c) number of unvested options: 870,000
(d) share price at grant date: $9.50 (2008: $9.50)
(e) expected share price volatility: 22.2% (2008: 22.2%)
(f) expected dividend yield: 5% (2008: 5%)
(g) risk-free interest rate at date of issue 5.54%

Historical volatility has been the basis for determining expected share price volatility as it is assumed that this is the best indicator of future volatility, which may not eventuate. The life of the options is based on the historical exercise patterns, which may not eventuate in the future. Included under employee benefits expense in the income statement is a write back of $1,377,097 (2008: expense of $719,085), and relates, in full, to equity-settled share-based payment transactions.

NOTE 29 : SHARE-BASED PAYMENTS (continued)

c. Expenses arising from share based payment transactions

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expense were as follows:

	Consolidated		Parent	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Employee option plan	484	1,616	447	1,088
PM share plan	(1,903)	719	(922)	329
	(1,419)	**2,335**	**(475)**	**1,417**

NOTE 30 : RESERVES

	Consolidated		Parent	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Available for sale investments revaluation reserve	(9)	-	-	-
Share-based payments reserve	394	4,133	433	4,172
Share-based payments tax reserve	-	1,342	-	-
Foreign currency translation reserve	(945)	(3,403)	-	-
	(560)	**2,072**	**433**	**4,172**

a. Movements in reserves

Available for sale investments revaluation reserve

The available for sale investments revaluation reserve records revaluations of non current assets.

	Consolidated 2009	Consolidated 2008	Parent 2009	Parent 2008
Opening balance	-	6	-	-
Changes in fair value	(9)	(6)	-	-
Balance 30 June	**(9)**	**-**	**-**	**-**

Share-based payments reserve

The share-based payments reserve records items recognised as expenses on valuation of employee share options

	Consolidated 2009	Consolidated 2008	Parent 2009	Parent 2008
Opening balance	4,133	5,944	4,172	5,984
Share based payments expense	(1,419)	2,335	(475)	1,417
Share based payments equity contribution	-	-	(944)	917
Dividends paid out of reserve	(2,320)	(4,146)	(2,320)	(4,146)
Balance 30 June	**394**	**4,133**	**433**	**4,172**

Share-based payments tax reserve

The share-based payments tax reserve records tax on items recognised as expenses on valuation of employee share options

	Consolidated 2009	Consolidated 2008	Parent 2009	Parent 2008
Opening balance	1,342	892	-	-
Share based payments tax reserve	(1,342)	450	-	-
Balance 30 June	**-**	**1,342**	**-**	**-**

Foreign currency translation reserve

The foreign exchange reserve records exchange differences arising on translation of foreign controlled subsidiaries

	Consolidated 2009	Consolidated 2008	Parent 2009	Parent 2008
Opening balance	(3,403)	(1,473)	-	-
Adjustments from translation of foreign controlled entities	2,458	(1,930)	-	-
Balance 30 June	**(945)**	**(3,403)**	**-**	**-**

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2009

NOTE 31 : CASH FLOW INFORMATION

	Consolidated		Parent	
	2009	**2008**	**2009**	**2008**
Reconciliation of Cash Flow from operations with Profit after income tax	**$'000**	**$'000**	**$'000**	**$'000**
Profit after income tax	1,433	15,559	12,465	17,094
Cash Flows included in profit/(loss) not attributable to operating activities:				
Gain on sale of investment	6,641	-	424	-
Loss on sale of investment	(65)	(1,286)	-	-
Non cash flows:				
Amortisation	95	111	95	111
Depreciation	228	245	225	242
Fair value losses - investments	5,702	3,365	-	-
Fair value gains - derivatives	(9)	(671)	(9)	(671)
Employee option expense	484	1,616	447	1,088
PM options (write back)/expense	(1,903)	719	(922)	329
Change in assets and liabilities, net of the effects of purchase and disposal of subsidiaries				
Decrease/(increase) in trade and term debtors	(2,397)	14,398	(2,920)	14,037
Increase/(decrease) in tax reserves	(1,342)	-	-	-
(Increase)/decrease in deferred tax assets	(241)	(739)	175	(336)
Increase/(decrease) in value of other assets	2	(144)	(2)	(149)
(Decrease)/increase in trade creditors and accruals	(730)	(6,926)	(1,201)	(3,789)
(Decrease)/increase in income taxes payable	856	(2,373)	(193)	(2,897)
Increase in employee entitlements	82	166	82	166
Net cash inflow from operating activities	**8,836**	**24,040**	**8,666**	**25,225**

a. Non-cash financial activity

In accordance with the Company's Dividend Reinvestment Plan, $1,210,562 (2008: $1,927,322) of dividends paid during the year were reinvested in the shares of the Company.

b. Standby facilities

The Company has a cash facility for $6,000,000 drawn down to $3,000,000 as well as a further $2,500,000 standby facility, undrawn, as at balance date. No other standby facilities exist.

NOTE 32 : LEASE COMMITMENTS

	Consolidated		Parent	
	2009	**2008**	**2009**	**2008**
	$'000	**$'000**	**$'000**	**$'000**
Commitments for minimum lease payments in relation to non cancellable operating leases are payable as follows:				
Within one year	673	653	441	423
Later than one year but not later than five years	948	1,309	20	390
Later than five years	116	344	-	-
	1,737	**2,306**	**461**	**813**

Sydney - The property lease is a non-cancellable lease with a 1 year term remaining, with rent payable monthly in advance. Contingent rental provisions within the lease agreement require that lease payments shall be increased by the lower of CPI or 3.5% per annum. An option exists to renew the lease at the end of the original 5 year term for an additional term of 5 years. The lease allows for subletting of all lease areas.

London - The property lease is a non-cancellable lease with a 5 year term remaining, with rent payable monthly in advance. The amount payable is fixed until a rent review date of October 2009. An option exists to renew the lease at the end of the 10 year term for an additional term of 10 years. The lease allows for subletting of all lease areas.

Photocopiers - the photocopier lease is a non-cancellable lease with a 1 year term remaining, with rent payable monthly in advance.

NOTE 33 : RELATED PARTY TRANSACTIONS

a. Share transactions of Directors

Directors and Director related entities hold directly, indirectly or beneficially as at the reporting date equity interests in members of the Consolidated Entity, in the form of ordinary shares and options over ordinary shares in the Company. Movements in equity interests during the year were as follows:

- Directors and their related entities acquired 447,366 Ordinary Shares (2008: 160,000) in the Company on the same terms and conditions available to other shareholders and disposed of 776,465 shares (2008: 710,000) during the period for a total consideration of $3,328,339 (2008: $4,851,594).
- Directors and their related entities acquired 10,000 ordinary shares (2008: 114,000) under the Hunter Hall International Employee Staff Option Plan on the same terms and conditions available to other employees.

b. Unit Transaction of Directors

Directors and their related entities disposed of 44,128 units (2008: purchased 5,101) in the VGT on the same terms and conditions available to other unitholders.

c. Transactions with related parties

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

d. Parent entity

By virtue of its majority shareholding, the parent entity of the Company is Hampshire Assets & Services Pty Limited (Hampshire). The company repurchased from Hampshire Nil (2008: 640,000) Ordinary Shares for $Nil (2008: $3,840,000) and cancelled them in accordance with the terms of the PM Share Plan. Dividends of $6,829,559 (2008: $10,484,232) were paid to Hampshire.

	Consolidated		Parent	
e. Transactions with subsidiaries	**2009**	**2008**	**2009**	**2008**
	$	**$**	**$**	**$**
(i) Hunter Hall Investment Management Ltd				
Payment of fees pursuant to an investment management agreement for the provision of certain services by Company to Hunter Hall Investment Management Ltd:				
Dividend paid and payable	-	-	-	4,027,052
Management fees paid and payable	-	-	29,050,563	38,972,528
Performance fees paid and payable	-	-	3,985,595	286,471
Expenses reimbursed	-	-	(521,374)	(267,239)
Income tax expense allocated	-	-	(260,511)	1,298,837
(ii) Bennelong Administration Services Pty Ltd				
Payment of fees pursuant to an agreement for the provision of resources to Bennelong Administration Services Pty Ltd	-	-	1,562,895	1,526,101
Income tax expense allocated	-	-	1,768	(240)
(iii) Hunter Hall Superannuation Company Pty Ltd				
Payment of fees pursuant to an agreement for the provision of resources to Hunter Hall Superannuation Company Pty Ltd	-	-	28,880	66,221
Income tax expense allocated	-	-	6,275	9,961
(iv) Rushcutter Investments Pty Ltd				
Increase/repayment of inter company loan	-	-	-	210,740
Income tax expense allocated	-	-	1,278	27,681
(v) Hunter Hall International (UK) Limited				
Payment of service fees pursuant to an investment management agreement for the provision of certain services by Hunter Hall International (UK) Limited to the company	-	-	(1,433,454)	(10,106,682)

NOTE 33 : RELATED PARTY TRANSACTIONS (continued)

f. Transactions with Director related entities	**Consolidated 2009 $**	**Consolidated 2008 $**	**Parent 2009 $**	**Parent 2008 $**
(i) Managed Investment Entities				
Management fees received and receivable pursuant to investment management services provided by Hunter Hall Investment Management Ltd to the:				
Hunter Hall Equity Funds	23,908,066	35,327,625		-
Hunter Hall Global Value Limited	3,790,900	6,779,332		-
Entry fees received and receivable pursuant to services provided by Hunter Hall Super Company Pty Ltd to the:				
Hunter Hall Ethical Superannuation Fund	42,932	87,819		-
Performance fees received and receivable pursuant to investment management services provided by Hunter Hall Investment Management Ltd to the:				
Hunter Hall Equity Funds	3,985,595	19,027	-	-
Hunter Hall International Ethical Fund	-	267,444	-	
Hunter Hall Global Value Limited	-	-	-	-
Administration fees received and receivable pursuant to administration services provided by Bennelong Administration Services Pty Ltd to the:				
Hunter Hall Equity Funds	1,371,026	1,286,263	-	-
Hunter Hall Global Value Limited	84,576	105,360	-	-
Hunter Hall Ethical Superannuation Fund	107,803	132,731	-	-
Expense reimbursements received in relation to:				
Hunter Hall Equity Funds	1,833,262	2,565,990	1,833,262	2,565,990
Hunter Hall Global Value Limited	680,237	784,101	680,237	784,101
Hunter Hall Ethical Superannuation Fund	49,565	60,844	49,565	60,844
Expenses paid in relation to:				
Hunter Hall Equity Funds	(1,850,904)	(2,582,897)	(1,850,904)	(2,582,897)
Hunter Hall Global Value Limited	(680,237)	(784,101)	(680,237)	(784,101)
Hunter Hall Ethical Superannuation Fund	(158,884)	(142,147)	(158,884)	(142,147)
(ii) Other Director related entities				
Payments to HWL Lawyers (related party of Alex Koroknay[1]) for consultancy services	(6,295)	(19,974)	(6,295)	(19,974)
Payments to Sothertons Sydney (related party of Adam Blackman[1]) for consultancy services	(15,000)	(21,500)	(15,000)	(21,500)
Agreement with Apian Pty Ltd (related party of Adam Blackman[1]) for consultancy services	-	(1,950)	-	(1,950)
Received from Totem Films Pty Ltd (related party of Mark Forstmann) for sub leasing part of Double Bay premises	10,004	7,625	10,004	7,625
Payment of consultancy fees to Corporate Monitor (related party of Michael Walsh)	(14,000)	-	(14,000)	-
Payment of commissions to Kontiki Stockbroking Limited (related party of Jack Lowenstein)	(622)	(659)	(622)	(659)

(1) Directors of Hunter Hall Superannuation Company Pty Ltd

NOTE 34 : FINANCIAL RISK MANAGEMENT

a. Capital risk management

The Consolidated Entity manages its capital to ensure that entities in the Consolidated Entity will be able to continue as a going concern while maximising the return to shareholders and benefits for other stakeholders. The Board also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

During 2009, the Company paid dividends of $15,168,000 (2008: $22,635,000).

The Consolidated Entity's overall strategy remains unchanged from 2008.

The capital structure of the Consolidated Entity consists of debt, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in the Statement of Changes of Equity and notes to this report.

Operating cash flows are used to meet the Consolidated Entity's operating costs, as well as to make the routine outflows of tax, dividends and repayment of maturing debt.

The Consolidated Entity's policy is to borrow centrally, using a variety of capital market and borrowing facilities, to meet anticipated funding requirements.

The Company must adhere to the following financial covenants:
(i) Debt to EBITDA: Debt to EBITDA ratio for each half year (annualised) will not, as at the compliance date, exceed 1.00:1
(ii) Minimum Effective Equity: the effective equity position is to be maintained at a minimum level of $10,000,000.

b. Categories of financial instruments

The Consolidated Entity's financial instruments consist mainly of deposits with banks, investments, accounts receivable and payable, loans to and from subsidiaries and derivatives. The main purpose of non derivative financial instruments is to manage working capital of the Consolidated Entity. Derivatives are used by the Consolidated Entity for economic hedging purposes. Such instruments include forward exchange contracts and interest rate swap agreements. The Consolidated Entity does not speculate in the trading of derivative instruments.

The Consolidated Entity and the parent entity hold the following financial instruments:

	Consolidated		Parent	
	2009	2008	2009	2008
Financial assets	$'000	$'000	$'000	$'000
Cash and cash equivalents	20,905	26,673	12,523	21,243
Trade and other receivables	7,082	4,686	6,560	6,140
Derivative financial instruments	275	266	275	266
Financial assets at fair value through profit or loss	15,355	22,996	-	-
Available-for-sale financial assets	15	1,948	-	-
	43,632	**56,569**	**19,358**	**27,649**
Financial liabilities				
Trade and other payables	4,676	5,406	6,975	8,176
Borrowings	3,000	6,000	3,000	6,000
Other financial liabilities	270	462	270	462
	7,946	**11,868**	**10,245**	**14,638**

NOTE 34 : FINANCIAL RISK MANAGEMENT (continued)

c. Market risk

(i) Funds Under Management (FUM) risk

For the year to 30 June 2009 management fees made up 74% (2008: 83%) of the Consolidated Entity's revenue from operations. Management fees are directly related to Funds Under Management (FUM) of the underlying investment vehicles. The risk of changes in FUM due to changes in the underlying net assets of the investment vehicles is the main market risk faced by the entity.

FUM is reconciled as follows:

	Consolidated		Parent	
	2009 $'M	2008 $'M	2009 $'M	2008 $'M
Opening FUM	2,352	2,664	2,352	2,664
Net (outflows)/inflows	(135)	358	(135)	358
Distributions paid	(14)	(200)	(14)	(200)
Dividends paid	-	(30)	-	(30)
Share buy backs	(36)	(27)	(36)	(27)
Investment decline	(510)	(413)	(510)	(413)
Closing FUM	**1,658**	**2,352**	**1,658**	**2,352**

Based on analysis of historical data, the following parameters were used to prepare a sensitivity analysis:

	Consolidated		Consolidated	
	2009 High scenario $'M	2008 High scenario $'M	2009 Low scenario $'M	2008 Low scenario $'M
Gross monthly inflows	23.0	61.9	3.0	41.9
Net monthly (outflows)/inflows	(1.2)	39.8	(21.2)	19.8
December distribution	43.3	164.7	-	84.7
Net performance decline	(371.5)	(229.4)	(660.9)	(643.7)

Consolidated Entity and parent sensitivity

If the high scenario per the above parameters had occurred during the year to 30 June 2009, profit and equity would have been $1,856,600 higher (2008: $2,168,000 higher), all other variables held constant. If the low scenario had occurred during the year, profit and equity would have been $2,448,300 lower (2008: $2,406,000 lower).

NOTE 34 : FINANCIAL RISK MANAGEMENT (continued)

(ii) Cash flow and fair value interest rate risk

The Consolidated Entity's main interest rate risk arises from its cash holdings and long-term borrowings. Borrowings issued at variable rates expose the Consolidated Entity to cash flow interest rate risk. Borrowings issued at fixed rates expose the Consolidated Entity to fair value interest rate risk. The Consolidated Entity has a $3 million loan borrowed at variable interest rates. It manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates. Under the interest rate swap, the Consolidated Entity agrees with another party to exchange, at specified intervals (mainly quarterly), the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the principal amount.

As at the reporting date, the Consolidated Entity and Parent had the following variable rate borrowings and interest rate swap contracts outstanding:

	30 June 2009		30 June 2008	
	Weighted average interest rate %	Balance $'000	Weighted average interest rate %	Balance $'000
Bank loan	7.0	3,000	8.8	6,000
Interest rate swap	-	-	7.4	(6,000)
Net exposure to cash flow interest rate risk		3,000		-

Consolidated Entity sensitivity

At 30 June 2009, if interest rates had changed by -/+75 basis points from the year end rates with all other variables held constant, Consolidated Entity post tax profit for the year would have been $7,195 lower/higher (2008 - $25,812 lower/higher), mainly as a result of the variable interest cash facility.

Parent entity sensitivity

At 30 June 2009, if interest rates had changed by -/+75 basis points from the year end rates with all other variables held constant, Parent Entity post tax profit for the year would have been $2,029 lower/higher (2008 - $22,465 lower/higher), mainly as a result of the variable interest cash facility.

(iii) Price risk

The Consolidated Entity is exposed to equity securities price risk arising from investments held by the Group and classified on the Balance Sheet as fair value through profit or loss. The majority of these investments are held by the Hunter Hall International Ethical No 1 Fund (IEF), and managed by Hunter Hall Investment Management Ltd (the Investment Manager). The Board of the IEF manages the market price risks inherent in the investment portfolio by ensuring full and timely access to relevant information from the Investment Manager. The Investment Manager monitors the investment performance of the IEF and its overall market position on a daily basis and provides the IEF with monthly investment performance reports which includes commentary on securities that have materially impacted on the value of the portfolio. The Board meets regularly and at each meeting reviews investment performance and overall market positions. They also monitor the Investment Manager's compliance with the Fund's objectives on a monthly basis.

There were no material changes to the Company's policies and processes for managing market risk and the methods and assumptions used to measure risk during the year.

NOTE 34 : FINANCIAL RISK MANAGEMENT (continued)

Consolidated Entity sensitivity

At reporting date, if the equity prices had been 5%p.a. higher or lower net profit and equity of the Consolidated Entity would have been $776,000 higher/lower (2008: $1,359,000 higher/lower).

The sensitivity to equity prices has not changed significantly from the prior year.

The Consolidated Entity's investments are held in the following countries as at 30 June:

	Consolidated 2009 %	Consolidated 2008 %
Australia	31.59	31.52
Brazil	0.64	-
Canada	3.88	4.33
China/Hong Kong	2.48	-
France	0.60	4.16
Germany	1.54	0.43
Hong Kong	-	1.74
India	7.64	4.33
Japan	3.33	3.07
Korea	10.28	15.04
Netherlands	0.91	0.66
New Zealand	1.63	3.86
Norway	2.44	1.26
Singapore	1.12	3.24
Spain	0.31	-
Sweden	1.03	5.70
Taiwan	-	0.51
UK	8.69	4.66
USA	3.56	7.19
Total Investments	81.66	91.72
Net Liquids	18.34	8.28
Net Assets	**100.00**	**100.00**

Parent entity sensitivity

The parent entity is not exposed to equities price risk, therefore no sensitivity analysis has been performed.

(iv) Foreign exchange risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

With approximately 60.97% (2008: 92.3%) of the Consolidated Entity's investments held in foreign currency denominations, there is a risk associated with movements in foreign exchange. The economic entity enters into forward exchange contracts to buy and sell specified amounts of foreign currency in the future at stipulated exchange rates. The objective in entering the forward exchange contracts is to protect the consolidated entity against unfavourable fair value movements in the foreign denominated investments of the IEF.

The accounting policy in regard to forward exchange contracts is detailed in Note 1e.

At balance date, the details of outstanding forward exchange contracts for both the Consolidated Entity and the Company are:

	Buy Australian Dollars		Average Exchange Rate	
	2009	2008	2009	2008
Sell	$'000	$'000		
Korean Won	743	1,718	941.9877	853.83
Japanese Yen	176	9	56.8033	98.61
Indian Rupee	406	487	36.9194	36.20
Norwegian Kroner	-	626	-	4.84
US Dollars	1,639	2,467	0.7321	0.8951
Euros	262	502	0.5736	0.6102
British Pounds	313	435	0.4794	0.4467
Canadian Dollars	191	-	0.8917	-
Danish Krone	2	-	-	-
New Zealand Dollars	78	-	1.2750	-

NOTE 34 : FINANCIAL RISK MANAGEMENT (continued)

c. Market risk (continued)

(iv) Foreign exchange risk (continued)

The Consolidated Entity's exposure to foreign currency risk at the reporting date was as follows. All amounts are stated in Australian dollars.

2009	**BRL $'000**	**CAD $'000**	**EUR $'000**	**GBP $'000**	**HKD $'000**	**JPY $'000**	**KRW $'000**	**NOK $'000**	**NZD $'000**	**SGD $'000**	**SEK $'000**	**TWD $'000**	**USD $'000**	**Total $'000**
Cash and cash equivalents	-	-	-	945	-	-	-	-	-	-	-	-	3,739	**4,684**
Trade receivables	-	-	-	-	-	-	-	-	-	-	-	-	8	**8**
Financial assets at fair value through profit or loss	122	741	839	1,309	474	635	1,961	465	310	121	-	-	2,622	**9,599**
Trade payables	-	-	-	(44)	-	-	-	-	-	-	-	-	(107)	**(151)**
	122	**741**	**839**	**2,210**	**474**	**635**	**1,961**	**465**	**310**	**121**	**-**	**-**	**6,262**	**14,140**

2008	**BRL $'000**	**CAD $'000**	**EUR $'000**	**GBP $'000**	**HKD $'000**	**JPY $'000**	**KRW $'000**	**NOK $'000**	**NZD $'000**	**SGD $'000**	**SEK $'000**	**TWD $'000**	**USD $'000**	**Total $'000**
Cash and cash equivalents	-	-	-	412	-	3	-	-	-	-	-	3	2,691	**3,109**
Trade receivables	-	-	-	19	-	-	5	-	-	2	-	-	257	**283**
Financial assets at fair value through profit or loss	-	1,068	1,342	1,140	437	780	3,835	1,671	982	815	97	129	3,823	**16,119**
Trade payables	-	-	-	(450)	(1)	-	-	-	-	-	-	-	(828)	**(1,279)**
	-	**1,068**	**1,342**	**1,121**	**436**	**783**	**3,840**	**1,671**	**982**	**817**	**97**	**132**	**5,943**	**18,232**

The carrying amounts of the parent entity's financial assets and liabilities are denominated in Australian dollars except for trade payables dominated in US dollars totalling $184,000 (2008: $239,000).

Consolidated Entity sensitivity

Based on the financial instruments held at 30 June 2009, had the Australian dollar weakened/strengthened by 10% against the foreign currencies to which it is exposed, with all other variables held constant, the Consolidated Entity's post tax profit for the year would have been $1,878,000 lower/$1,401,000 higher (2008: $1,295,000 lower/$1,168,000 higher), mainly as a result of foreign exchange gains/losses on translation of foreign currency denominated financial instruments as detailed in the above table. Equity would have been $2,325,000 higher/$1,821,000 lower (2008:$2,400,000 higher/$2,892,000 lower) had the Australian dollar weakened/strengthened by 10%.

Parent entity sensitivity

The parent entity's post tax profit for the year would have been $61,000 higher/lower (2008: $419,000 higher/lower) had the Australian dollar weakened/strengthened by 10%, mainly as a result of unrealised gains on open forward contracts at year end and payables to HHUK as at year end.

NOTE 34 : FINANCIAL RISK MANAGEMENT (continued)

d. Credit risk

The Consolidated Entity takes on exposure to credit risk, which is the risk that a counterparty or an issuer will be unable to pay amounts in full when due.

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as outstanding receivables.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date in respect of recognised financial assets is the carrying amount, net of any provisions for doubtful debts of those assets, as disclosed in the Balance Sheet and Notes to the Financial Statements.

The Consolidated Entity has a concentration of credit risk exposure from amounts receivable from the investment vehicles (VGT, GET, AVT, GDG, IEF, ESF, HHV) it manages, which represents 97% of receivables (2008: 95%)

As at the balance date the Consolidated Entity did not have any amounts receivable, whether from related entities or otherwise, which were past due or considered impaired (2008: none).

e. Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.
Ultimate responsibility for liquidity risk management rests with the board of directors, who have built an appropriate liquidity risk management framework for the management of the Consolidated Entity's short, medium and long term funding and liquidity management requirements. The Consolidated Entity manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows.

Maturities of financial liabilities

The tables below analyse the Consolidated Entity's and the parent entity's financial liabilities, net and gross settled derivative financial instruments into relevant maturity based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. For interest rate swaps the cash flows have been estimated using forward interest rates applicable at the reporting date.

Consolidated **30 June 2009**	**1-3 months $'000**	**4-6 months $'000**	**Between 6 and 12 months $'000**	**Over one year $'000**	**Total contractual cash flows $'000**	**Carrying amount $'000**
Non-derivatives						
Non-interest bearing	3,856	820	-	270	4,946	4,946
Interest bearing	-	3,000	-	-	3,000	3,000
Total non-derivatives	3,856	3,820	-	270	7,946	7,946

Consolidated **30 June 2008**	**1-3 months $'000**	**4-6 months $'000**	**Between 6 and 12 months $'000**	**Over one year $'000**	**Total contractual cash flows $'000**	**Carrying amount $'000**
Non-derivatives						
Non-interest bearing	4,238	4	1,203	423	5,868	5,868
Interest bearing	-	-	-	6,000	6,000	6,000
Total non-derivatives	4,238	4	1,203	6,423	11,868	11,868

Parent **30 June 2009**	**1-3 months $'000**	**4-6 months $'000**	**Between 6 and 12 months $'000**	**Over one year $'000**	**Total contractual cash flows $'000**	**Carrying amount $'000**
Non-derivatives						
Non-interest bearing	6,159	816	-	270	7,245	7,245
Total non-derivatives	6,159	816	-	270	7,245	7,245

Parent **30 June 2008**	**1-3 months $'000**	**4-6 months $'000**	**Between 6 and 12 months $'000**	**Over one year $'000**	**Total contractual cash flows $'000**	**Carrying amount $'000**
Non-derivatives						
Non-interest bearing	5,466	1,550	1,199	423	8,638	8,638
Total non-derivatives	5,466	1,550	1,199	423	8,638	8,638

NOTE 34 : FINANCIAL RISK MANAGEMENT (continued)

f. Net fair values

The net fair values of listed investments have been valued at the quoted market close price at balance date. For unlisted investments where there is no organised financial market the net fair value has been based on either cost or the redemption price published by the issuer at balance date.

The net fair values of loans and amounts due approximate their carrying value.

For other assets and other liabilities the net fair value approximates their carrying value.

No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments.

Financial assets where the carrying amount exceeds net fair values have been written down.

Carrying amounts of financial assets and financial liabilities at balance date are shown at net fair value.

g. Treasury risk management

Senior executives of the Consolidated Entity meet on a regular basis to analyse currency and interest rate exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts. Exposure is managed through the use of derivative financial instruments as outlined below.

NOTE 35 : DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are used by the economic entity to hedge exposure to exchange rate risk associated with foreign currency borrowings and interest rate risk associated with movements in interest rates which impact on the borrowings of the economic entity. Transactions for hedging purposes are undertaken without the use of collateral as only reputable institutions with sound financial positions are dealt with.

a. Interest rate swap contracts

Interest rate swap transactions entered into by the Consolidated Entity to exchange variable and fixed interest payment obligations to protect long-term borrowings from the risk of increasing interest rates. The Consolidated Entity has variable interest rate debt and enters into swap contracts to receive interest at variable and to pay interest at fixed rates.

The notional principle of the swap contract approximates the Consolidated Entity's borrowing facility. The settlement dates of the swap contracts correspond with interest payment dates of the borrowings. The swap contract requires settlement of the net interest receivable or payable and is brought to account as an adjustment to borrowing costs. For details of interest rate swaps refer to note 34c.(ii)

b. Forward exchange contracts

The economic entity enters into forward exchange contracts to buy and sell specified amounts of foreign currencies in the future at stipulated exchange rates. The objective in entering the forward exchange contracts is to protect the economic entity against unfavourable exchange rate movements in the portfolio of the IEF. For details of outstanding forward exchange contracts refer to note 34c.(iv)

The accounting policy in regard to forward exchange contracts is detailed in Note 1e.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2009

NOTE 36 : STATEMENT OF OPERATIONS BY SEGMENT

a. The Consolidated Entity operated within one business segment (Investment Management) which represents its primary segment reporting format and three geographical segments (Australia, United Kingdom and Ireland).

b. Secondary reporting format - geographical segments

	Segment revenues from external customers		Carrying amount of segment assets		Acquisitions of non-current segment assets	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Australia	37,309	50,296	26,587	32,491	103	276
United Kingdom	7	18	1,323	2,387	9	1
Ireland	334	1,295	19,085	25,951	-	-
	37,650	51,609	46,995	60,829	112	277

NOTE 37 : SUBSEQUENT EVENTS

On 27 August 2009 the Directors declared a final dividend of 26.4 cents per share, with a record date of 8 September 2009 and a payment date of 21 September 2009.

There were no other events subsequent to year end that require disclosure other than those matters referred to elsewhere in this report.

NOTE 38 : CONTINGENT LIABILITIES

There were no contingent liabilities at year end that require disclosure.