INTERNATIONAL EQUITIES

2010 ANNUAL REPORT

creating lifestyles

Seasons Apartment Hotel Group is about focusing on the personal touch. All of our hotel sare ideally suited for business and leisure travellers. They are conveniently located near the city and our objective is to provide a friendly atmosphere. Our mission is to offer exceptional experiences for all of our guests and grant great value for money.

"our service is our promise"

w seasonsapartmenthotelgroup.com.au

australia free call 1800 999 004

seasons botanic gardens melbourne

348 st kilda road
melbourne victoria 3004
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seasons heritage melbourne

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seasons of perth

37 pier street
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e res@seasonsofperth.com.au

seasons darling harbour sydney

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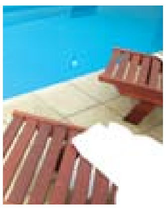
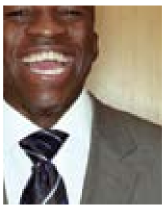
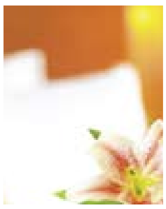
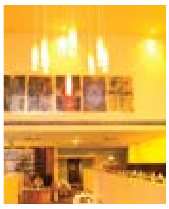
e reservations@seasonsdarlingharbour.com.au





International Equities Corporation Ltd

and controlled entities **acn 009 089 696**

Annual report 30 June 2010

CORPORATE DIRECTORY

DIRECTORS

Chairman
Marcus Peng Fye Tow

Executive Director
Tit Seng Wong
Non – Executive Directors
Kong Liang Tow
Aubrey George Menezes

COMPANY SECRETARY

Aubrey George Menezes

REGISTERED OFFICE

Room 6, Seasons of Perth
37 Pier Street
Perth WA 6000

Telephone: (08) 9221 3055
Facsimile: (08) 9221 2502

POSTAL ADDRESS

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East Perth, WA 6000

CORPORATE OFFICE

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and Subsidiaries
Level 6, 348 St Kilda Road,
Melbourne, VIC 3004
www.internationalequities.com.au

IEC Real Estate Pty Ltd
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Carlton, VIC 3053
www.iecrealestate.com.au

Renaissance Australia Pty Ltd
T/A Seasons of Perth
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www.seasonsofperth.com.au

Seasons Heritage Melbourne Pty Ltd
T/A Seasons Heritage Melbourne
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www.seasonsheritagemelbourne.com.au

Seasons Apartment Hotel Group Pty Ltd
Level 6, 348 St Kilda Road,
Melbourne, VIC 3004
www.seasonsapartmenthotelgroup.com.au

Seasons Darling Harbour Pty Ltd
T/A Seasons Darling Harbour
38 Harbour Street, Sydney NSW 2000
www.seasonsdarlingharbour.com.au

HOME EXCHANGE

Australian Stock Exchange Ltd
Exchange Plaza
2 The Esplanade
Perth WA 6000
(ASX code: IEQ)

AUDITORS

Moore Stephens
Level 3, 12 St George's Terrace
Perth WA 6000

SHARE REGISTRY

Managed and maintained at:
Advanced Share Registry Services,
150 Stirling Highway, Nedlands
Perth WA 6009

BANKERS

National Australia Bank Ltd.
Level 2, 330 Collins Street
Melbourne VIC 3000

Westpac Banking Corporation
360 Collins Street,
Melbourne VIC 3000

Bendigo and Adelaide Bank Ltd
Ground Floor, 169 Pirie Street,
Adelaide SA 5000

CHAIRMAN'S STATEMENT

'A FUTURE IN PEOPLE'

GROUP OVERVIEW

The last financial year has seen Australian businesses move to build capacity and restore confidence. Changes in industry standards and greater scrutiny by the banking sector have helped clear the way for growth, particularly in the property market. That is not to say that the effects of the global financial crisis are over. International Equities has spent the last 18 months consolidating the company and reassessing our priorities. Our objective has been to increase liquidity and pay down loans. During the last financial year we have moved to enhance cash generating assets and securing market share in the hospitality sector.

Projects have been scaled back or deferred until further capital can be secured. Sale of residential stock have been encouraging. The future looks set to grow.

PROPERTY DEVELOPMENT

Liquidity has been a key issue dictating the outcome of development projects. Financial institutions have not turned the corner as yet. We have had to reassess our criteria and defer commencement of re-development of 2 King William St. in Adelaide. However, we have proceeded with soft refurbishment of Seasons of Perth to improve yields. Todate all loans have been refinanced for between 12 to 24 months. We hope to re-ignite developments in the coming financial years when funding to the property sector returns. We are confident the environment is now ready for these re-development projects to commence.

HOTEL MANAGEMENT

Through Seasons Apartment Hotel Group Pty Ltd (SAHG), International Equities has restructured the hotel management business to reduce operating cost for optimum efficiency. We have weathered tough economic trading conditions and new entrants to the hospitality industry but remain optimistic we are able to improve yield from our hotel assets. The hotel management business has provided net cash inflows for the year enabling us to preserve the integrity of our cash generating assets.

Additionally, we now have a new property, the Seasons Darling Harbour. This provides us with a Sydney property to adequately market to the corporate market. For the financial year, this property has provided cashflows to expectation.

OUTLOOK

The coming financial year will see confidence return to the property market. However, there remains a high level of caution in the market. International Equities will continue to present opportunities for development. We believe, the non-bank financial sector will start to play a more important role to increase competition in the market. As bank funding becomes more available, International Equities will assess the Adelaide project for development. This will be a landmark asset for the group and will be able to increase the revenue generation for the group when it is completed.

On behalf of the Board of Directors, I would like to thank all staff members in recognition of their efforts and cooperation.

Marcus Tow
Chairman
16th September 2010

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER OF SEASONS

'PEOPLE TAKING CARE OF PEOPLE'

OVERVIEW

The Australian hospitality industry has remained resilient despite the strength of the Australian Dollar and the drop in local spending. A slower pace of growth has impacted upon yields. However, the mining industry and continued support from government and tourism related promoters have assisted in generating revenues for the last financial year. The year ahead will be equally challenging.

Revenue from Seasons hotels has improved due to acquisition of Seasons Darling Harbour and revenue growth from existing hotels. Budget cut backs and diminishing discretionary spending from the corporate market have been set-off by value for money room yielding. The average room rate remains stable in Sydney, Melbourne and Perth. Web based business remains popular, special days' promotion and aggressive marketing with dynamic pricing helped to keep the hotel occupancy within expectation.

SEASONS OF PERTH

The hotel is currently undergoing a soft refurbishment. This is necessary to revitalise the property to achieve occupancy and yield. Continued support from the mining industry with Corporate functions have helped to keep the Room and Food and Beverage revenues within expectation.

For the year ahead, we expect growth to be measured. This would be due to upgrades to the hotel in order to remain competitive. We expect market share to remain stable and revenues to remain in line with the budget.

SEASONS HERITAGE MELBOURNE

Much like the previous year, occupancy has grown year on year. Room rates are at a very satisfactory and competitive price point. Web based business remains the booking medium of choice. Our competitive edge is now being eroded by the strengthening Dollar. We expect to continue to promote the property through promotion, advertising and brand awareness.

SEASONS BOTANIC GARDENS

During the year, only some Landlords renewed their leases reducing the number of rooms under management. This has impacted on Management Fees earned. For the present, the strategy is to maintain a standard and quality for a premium property. The full impact on revenues from the changes in rooms under management will be recorded in the coming financial year.

SEASONS DARLING HARBOUR

During the year, International Equities acquired the rights to manage this property. The property is situated at the beginning of Chinatown and is within the Darling Harbour precinct. For the year, changes were made to policies and procedures with the full impact expect in the coming financial year. The strategy is to appeal to city traveller with emphasis on the corporate market.

CONCLUSION

For the coming year, we will continue to seek out new managements as and when the opportunity arises and to build on relationships with our clients. With that I take this opportunity to thank the Team for their significant contribution during the year.

Krishna Ambalavanar
CEO – Seasons Apartment Hotel Group
16th September 2010

DIRECTORS' REPORT

Your directors present their report on the consolidated entity consisting of International Equities Corporation Ltd (the company) and the entities it controlled at the end of, and during the year ended 30 June 2010.

Directors and Company Secretary

The following persons were directors of the Company during the whole of the financial year and up to the date of this report:

Marcus Peng Fye Tow (Chairman / Chief Executive Officer)
Kong Liang Tow
Aubrey George Menezes (Chief Financial Officer)
Tit Seng Wong

The Company Secretary in office during or since the end of the year:

Aubrey George Menezes

Information on directors and company secretary:

The particulars of the qualifications, experience, special responsibilities, shareholdings and disclosure of interests of the Directors and Company Secretary are as follows:

Marcus Peng Fye Tow holds a Bachelor of Business Management degree from Melbourne's Monash University and also the Master of Management from Swinburne University. Since graduating he has been actively involved in all areas with the Company's development projects in Melbourne. He is also a director of Renaissance Assets Pty Ltd which is a substantial shareholder in the Company. In the last three years, he did not hold directorships in other listed companies.

He attended 7 of the 7 meetings of directors held during the year.

Kong Liang Tow is a well established businessman with extensive business interests in commercial, residential and tourism properties. Over the last 18 years he has held directorships in various public listed companies in Malaysia which activities include property development and investment. He also has business interests in logging, timber and manufacturing industries. In the last three years, he did not hold directorships in other listed companies.

He attended 7 of the 7 meetings of directors held during the year.

Wong Tit Seng is a member of the Malaysian Institute of Accountants, trained and qualified in the United Kingdom with the Chartered Association of Certified Accountants. He has over 23 years of experience in various fields of industries in the areas of corporate finance, corporate planning, taxation, business management and consultancy. In the last three years, he did not hold directorships in other listed companies.

He attended 7 of the 7 meetings of directors held during the year.

Aubrey George Menezes is an Australian CPA, a member of Chartered Institute of Management Accountants in UK and Malaysian Institute of Accountants. He is experienced in corporate finance and planning and was previously attached to professional practice and public listed corporation, which activities include property development and investment, hospitality and travel. In the last three years, he did not hold directorships in other listed companies.

He attended 7 of the 7 meetings of directors held during the year.

Information on other key management personnel:

Anandakrishna Ambalavanar currently holds the position of Director and Chief Executive Officer of Seasons Apartment Hotel Group Pty Ltd, the hotel management arm of the Company. He has 23 years international and domestic experience in managing hotels and has been associated with The Sheraton Group and Mirvac Hotels prior to joining the Company. He also chairs the executive committee which oversees all aspects of decision making and operations of hotel management for the group. He is also a director of Seasons International Management Pty Ltd, Seasons Heritage Melbourne Pty Ltd and Seasons at The York Pty Ltd.

Cheng Lan Chuah currently holds the position as a director of (IEC) Pacific Pty Ltd and General Manager for project management of development properties within the Company. She brings with her 39 years experience in property development throughout Australasia including China and Australia. She is also a director of Premium Properties (Aust) Pty Ltd which is a substantial shareholder in the Company.

Elena Wei Theng Tow holds a Bachelor of Commerce and Music degree from Melbourne's Monash University. Since graduating she has been actively involved in all areas of hotel management for the Company and currently holds the position of Director of Operations for the group. She is also actively involved in the executive committee which oversees all aspects of decision making and operations of hotel management for the group. She is a director of Seasons International Management Pty Ltd, Seasons Heritage Melbourne Pty Ltd, Seasons at The York Pty Ltd, and is also a director of Renaissance Assets Pty Ltd which is a substantial shareholder in the Company.

Geoffrey Alan Stidworthy is the Director and Officer in Effective Control of IEC Real Estate Pty Ltd. He brings with him over 16 years of experience as a real estate agent. He is a member of Real Estate Institute of Victoria (REIV).

Remuneration Report

Remuneration policy

The Board has adopted the remuneration committee's recommendation as follows:

The remuneration policy of International Equities Corporation Limited states that director's and executive's remuneration should be fixed at fair market terms. These terms may include offering incentives linked to key performance areas affecting the economic entity's financial results. Where contractual, the remuneration term will be for one calendar year. This policy aims to draw a balance between retaining the best executives and directors to run and manage the economic entity, as well as create goal congruence between directors, executives and shareholders.

Fair market terms are defined as an all encompassing annual remuneration, benefits and employment terms and conditions that would be comparable to the remuneration of individuals in other entities with similar financial performance or as recommended by a human resource consultant.

The board's policy in determining the nature and amount of remuneration for board members and senior executives of the economic entity is outlined as follows:

(i) The remuneration policy for senior executives includes an annual salary, fringe benefits (if applicable) and superannuation contribution. Other statutory terms are included.
(ii) The remuneration policy for executive directors includes an annual salary, fringe benefits (if applicable) and superannuation contribution. Other statutory terms are included.
(iii) The remuneration policy for an executive director with a service contract is a fee including GST. No fringe benefits and superannuation contributions are applicable. The nature of the contract is highlighted under Employment Contracts of Directors and Senior Executives in this remuneration report.
(iv) The remuneration policy for non-executive directors includes an annual directors fee and travelling expenses (if applicable) to attend all meetings.
(v) Directors are not entitled to any type of fee if employed with the company unless recommended and approved by shareholders at the Annual General Meeting.

DIRECTORS' REPORT

For the financial year, the Board has adopted two recommendations which are:

(i) To accept and ratify all current director's and executive's remuneration terms. The remuneration committee will formulate new recommendations for the coming financial year in accordance with the policies, where required.
(ii) Non-executive directors will be reimbursed for attending meetings. No fee will be payable for the last financial year.

During the financial year, the employed directors and executives received a superannuation guaranteed contribution required by the government, which is currently 9%. They did not receive any other retirement benefits.

All remuneration paid to directors and executives were valued at cost to the company and expensed. No shares or options were given to directors and executives during the year.

Performance Based Remuneration

The performance of directors and executives are measured against the economic entity's performance to enhance shareholders' value. The criteria is set as a measured increase in the net tangible asset value of the economic entity excluding intangibles. Other key performance indicators apply. All remuneration reviews, bonuses and incentives are linked to this performance criteria. The Board may, however, exercise its discretion and can recommend changes to the remuneration committee's recommendations. Any changes will be deliberated and justified by the remuneration committee. The evaluation of senior executives took place for the financial year ended 30 June 2010.

For the financial year, the Board has accepted the remuneration committee's recommendation to defer payments of remuneration increments, bonuses and incentives until sustainable profits are achieved.

Company Performance, Shareholders Wealth and Directors' and Executives' Remuneration

The remuneration policy aims to achieve goal congruence between shareholders and directors and executives. Given the size of the company and industry in which the company is in, a simpler measure of performance has been adopted. The criteria are set as a measured increase in the net tangible asset value of the economic entity excluding intangibles.

For the hospitality and tourism sector two criteria's are employed:

(i) To achieve a 10% growth in Gross Operating Profit (GOP) whilst maintaining a ratio of 40% to Gross Revenues.
(ii) To achieve a 5% increase in net tangible asset value excluding intangibles.

For the property development sector three criteria's are employed:

(i) To achieve a 10% growth in Net after tax profits.
(ii) To achieve a 5% increase in net tangible asset value excluding intangibles.
(iii) To reject any development proposal with less than 15% development profit.

These criteria's and performance indices are to be reviewed every 3 three years.

For the financial year, shareholders wealth has declined due to discounting on sale of development properties, reduced management fees from serviced apartments / hotel operations, real estate commissions. It was mitigated by cost rationalisation of its operations. The economic entity's performance is expected to remain unpredictable in the financial year ahead barring any slide in economic conditions.

DIRECTORS' REPORT

Disclosure relating to directors' and executive officers' emoluments is as follows:

(a) Names and positions held of key management personnel in office at any time during the financial year are:

Parent entity directors:		
Executive Directors:		
MPF Tow	Chairman	- International Equities Corporation Group
TS Wong	Director	- International Equities Corporation Group
Non-Executive Directors:		
KL Tow	Director	- International Equities Corporation Group
AG Menezes	Director / Company Secretary	- International Equities Corporation Group
Subsidiary entity directors:		
EWT Tow	Director	- Seasons Apartment Hotel Group Pty Ltd
A Ambalavanar	Director / Chief Executive Officer	- Seasons Apartment Hotel Group Pty Ltd
CL Chuah	Director / General Manager	- (IEC) Pacific Pty Ltd
G Stidworthy	Director / Officer in Effective Control	- IEC Real Estate Pty Ltd

There are no other employees within the consolidated entity who are considered to be key management personnel as defined by AASB 124.

(b) Specified directors' remuneration

	Short-term benefits				Post-employment		Other Long-term	Share-based payment	Total
	Cash, Salary & fees $000	Superannuation contributions $000	Cash bonus $000	Non-cash Benefit $000	Superannuation contributions $000	Redundancy payments $000	Long Service Leave $000	$000	$000
2010									
Executive Directors									
MPF Tow	257	-	-	-	-	-	-	-	257
TS Wong	100	9	-	-	-	-	-	-	109
Non- Executive Directors									
KL Tow	-	-	-	-	-	-	-	-	-
AG Menezes	40	-	-	-	-	-	-	-	40
	397	9	-	-	-	-	-	-	406
2009									
Executive Directors									
MPF Tow	257	-	-	-	-	-	-	-	257
TS Wong	98	11	-	-	-	-	-	-	109
Non- Executive Directors									
KL Tow	-	-	-	-	-	-	-	-	-
AG Menezes	43	1	-	-	-	-	-	-	44
	398	12	-	-	-	-	-	-	410

DIRECTORS' REPORT
(c) Specified executives' remuneration

	Short-term benefits				Post-employment		Other Long-term	Share-based payment	Total
	Cash, Salary & fees $000	Superannuation contributions $000	Cash bonus $000	Non-cash Benefit $000	Superannuation contributions $000	Redundancy payments $000	Long Service Leave $000	$000	$000
2010									
EWT Tow	-	-	-	-	-	-	-	-	-
A Ambalavanar	101	9	-	-	-	-	-	-	110
CL Chuah	55	5	-	-	-	-	-	-	60
G Stidworthy	96	9	-	-	-	-	-	-	105
	252	23	-	-	-	-	-	-	275
2009									
EWT Tow	-	-	-	-	-	-	-	-	-
A Ambalavanar	90	8	-	-	-	-	-	-	98
CL Chuah	55	5	-	-	-	-	-	-	60
G Stidworthy	81	7	-	-	-	-	-	-	88
DR Austen (Resigned on 3rd Oct 2008)	43	4							47
	269	24	-	-	-	-	-	-	293

(d) Remuneration options

Options granted as remuneration:

There were no options granted as remuneration during the year to parent entity directors or specified executives.

(e) Shares issued on exercise of remuneration options

There were no shares issued on exercise of remuneration options by parent entity directors or specified executives during the year.

(f) Options and rights holdings

Number of options held by parent entity directors and specified executives:

	Balance 1.07.09	Granted as remuneration	Options exercised*	Net change other*	Balance 30.6.10	Total vested 30.6.10	Total exercisable	Total unexercisable
Parent entity directors:								
Executive Directors:								
MPF Tow	-	-	-	-	-	-	-	-
TS Wong	-	-	-	-	-	-	-	-
Non - Executive Directors:								
KL Tow	-	-	-	-	-	-	-	-
AG Menezes	-	-	-	-	-	-	-	-
Specified executives:								
EWT Tow	-	-	-	-	-	-	-	-
A Ambalavanar	-	-	-	-	-	-	-	-
CL Chuah	-	-	-	-	-	-	-	-
G Stidworthy	-	-	-	-	-	-	-	-
DR Austen	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-

(g) Shareholdings

Number of shares held by parent entity directors and specified executives:

	Balance 1.7.09	Received as remuneration	Options exercised	Net change other*	Balance 30.6.10
Parent entity directors:					
Executive Directors:					
MPF Tow +	60,853,125	-	-	-	60,853,125
TS Wong ++	21,862,000	-	-	(21,862,000)	-
Non – Executive Directors:					
KL Tow	-	-	-	-	-
AG Menezes	-	-	-	-	-
Specified executives:					
EWT Tow +	60,853,125	-	-	-	60,853,125
A Ambalavanar	-	-	-	-	-
CL Chuah +++	20,000,000	-	-	-	20,000,000
G Stidworthy	-	-	-	-	-

\+ Interest arises from their directorship in Renaissance Assets Pty Ltd
++ Interest arises from his directorship in Amaya Investments Pty Ltd
+++ Interest arises from her directorship in Premium Properties (Aust) Pty Ltd
* Net change other refers to shares purchased or sold during the financial year.

(h) Employment Contracts of Directors and Senior Executives

Employed directors and senior executives are given contracts of service which stipulate an annual salary and benefits (if applicable). The remuneration structure for the director and senior executive is based on a number of factors, including length of service, particular experience of the individual concerned, and overall performance of the company. The contracts for service between the company and the director and senior executive are on a continuing basis the terms of which are not expected to change in the immediate future. Upon retirement the director and senior executive are paid employee benefit entitlements accrued to date of retirement. The director and senior executive are paid a sum based on the last salary depending on the length of service in the event of redundancy. Any options not exercised before or on the date of termination lapse.

With exception, the company has two on going management agreements. One with Renaissance United Assets Management Pty Ltd. for the provision of Mr. MFP Tow's services which expires on 31st December 2010. The other is with 88 Properties Pty Ltd, for provision of Mr AG Menezes' services which expires on 30th September 2010. No superannuation and benefits are applicable under these agreements. The company reserves the right to renew these agreements under fair market terms. No termination payments are included in the agreement. Mr. MFP Tow has an interest in Renasissance United Assets Management Pty Ltd while Mr. AG Menezes has an interest in 88 Properties Pty Ltd.

DIRECTORS' REPORT

Principal Activities

The principal activities of the consolidated entity during the course of the financial year were Property Development, Tourism – Hotel Management and Others – Real Estate Sales and Management.

	2010 $000	2009 $000
Consolidated results		
The consolidated profit/(loss) of the group for the year after income tax expense was:	(4,662)	(2,428)
Earnings per share		
Basic earnings per share (cents per share)	(3.64c)	(1.89c)

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the consolidated entity that occurred during the financial year.

Review of operations

A summary of consolidated revenues and results by industry segments is set out below:

Highlights	**Segment revenue** **$000**	**Segment results** **$000**
Property development	21,708	(5,532)
Tourism	13,838	529
Leasing	915	341

Cash Generating Assets

The main cash generating assets of the consolidated entity have been from property related activities in Melbourne and the hotel and serviced apartment operations of Seasons of Perth, Seasons Darling Harbour and Seasons Heritage Melbourne. These are outlined below

Property Development and Related Activities

Uropa and Seasons Residential Apartments
This development undertaken by IEC (Management) Pty Ltd. continues to carry a stock of 3 apartments and 5 Commercial lots which generate rental income for the company. The company expects to gradually sell down its residential properties in the coming financial year and retain the commercial properties for income.

'Seasons Heritage Melbourne' Service Apartments and 'Tate' Penthouse Suites
This development at 572 St. Kilda Road in Melbourne, undertaken by (IEC) Pacific Pty Ltd, is now complete. Remaining stock stands at 67 Serviced Apartments and 10 luxury Penthouse Suites as at 30 June 2010. The company is expecting to sell down stock in Tate Apartments and retain the Serviced Apartments for lease income. The serviced apartments are managed by Seasons Heritage Melbourne Pty Ltd which generates a fixed lease.

DIRECTORS' REPORT

Seasons of Adelaide – 2 King William Street, Adelaide
This is a 7 storey commercial building sited along the famous King William Street boulevard in Adelaide. Plans to develop this site as Seasons of Adelaide Hotel remain under review until funding for the project is attained. The entire project is slated to commence in 2011.

Leopold Residence – 112 Leopold Street, South Yarra, Melbourne
Construction of 3 luxury apartments at Leopold Street in South Yarra, Melbourne, is now complete. 2 apartments were sold and settled before 30 June 2010 . The full impact of these financials were included in the 2010 financial report. The last apartment was sold in July 2010.

Real Estate Management – IEC Real Estate Pty Ltd
IEC Real Estate is a licensed real estate agency specialising in managing apartments for the Company and various other owners. It currently concentrates its activities in Melbourne CBD, Carlton and surrounding areas. It holds on book nearing 170 management authorities and 60 apartments for sale.

'Seasons' Hotel Management

Seasons Apartment Hotel Group
'Seasons' is a trade marked brand of Seasons Apartment Hotel Group Pty Ltd. Through its related entities Seasons International Management Pty Ltd and Seasons Heritage Melbourne Pty Ltd it manages Seasons of Perth, Seasons Heritage Melbourne, Seasons Darling Harbour and Seasons Botanic Gardens on St Kilda Road in Melbourne. In 2014, it is expected to launch into Adelaide to manage Seasons of Adelaide. In the interim the company will continue to promote brand awareness and market share.

Seasons of Perth hotel
This property is held by Renaissance Australia Pty Ltd, a wholly owned subsidiary of the company. Since 2005, the hotel has been successfully managed by the company. The hotel has continued to provide cashflow for the group by increased occupancy and higher rooms rates. We expect that this trend to stabilise in the coming financial year.

Seasons Heritage Melbourne
This property is held by (IEC) Pacific Pty Ltd and operated by Seasons Heritage Melbourne Pty Ltd, both are wholly owned subsidiaries of the company. The property consists of 142 serviced apartments including a heritage listed residence. It has successfully captured the interest of a number of corporate guests with businesses in the CBD and on St Kilda Road, Melbourne. The Serviced Apartments have continued to develop awareness in the area and will see an upward trend for the financial year ahead.

Seasons Darling Harbour
This property is operated by Seasons Darling Harbour Pty Ltd, a wholly owned subsidiaries of the company. The property consists of 51 serviced apartments managed under lease to Seasons. It is located in Sydney's CBD / Darling Harbour precinct.

Dividends
No dividend is recommended in respect of the year ended 30 June 2010 and none has been paid or recommended since the start of the financial year.

Events after the end of the financial year
There has not been any matter or circumstances that has significantly affected, or may significantly affect, the operations of the economic entity, the results of those operations, or the state of affairs of the economic entity in the financial year after the financial year ended 30 June 2010

Likely developments and expected results of operations.
Further information on likely developments in the operation of the consolidated entity and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

Environmental regulations
The directors believe that the consolidated entity is not subject to any particular or significant environmental regulation.

DIRECTORS' REPORT

Insurance of officers
During the financial year, the company paid a premium of $23,485 to insure certain officers of the company and related bodies corporate. The officers of the company covered by the insurance policy include the directors: KL Tow, AG Menezes, MPF Tow, TS Wong and G Stidworthy. The liabilities insured include costs and expenses that may be incurred in defending civil or criminal proceedings should such proceedings be brought against the officers in their capacity as officers of the company or a related body corporate.

Share options
There are no options over unissued shares as at the date of this report. No options were exercised during the past year.

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

Rounding of amounts to nearest thousand dollars
The company is of a kind referred to in class order 98/0100 issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the directors' report and financial report. Amounts in the directors' report and the financial report have been rounded off to the nearest thousand dollars in accordance with that class order.

Auditor's Independence Declaration
The lead auditor's independence declaration for the year ended 30 June 2009 has been received and can be found on page 14.

Non-audit Services
The board of directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the directors prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and

- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

There were no fees paid / payable for non-audit services to the external auditors during the year ended 30 June 20010

This report is made out in accordance with a resolution of directors.

AG Menezes
Director

Perth Western Australia
28th September 2010

MOORE STEPHENS

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS
OF INTERNATIONAL EQUITIES CORPORATION LIMITED

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

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

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

Moore Stephens

Suan-Lee Tan	**Moore Stephens**
Partner	**Chartered Accountants**

Signed at Perth this 28th day of September 2010.

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MOORE STEPHENS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTERNATIONAL EQUITIES CORPORATION LIMITED

Report on the Financial Report

We have audited the accompanying financial report of International Equities Corporation Limited (the company) and International Equities Corporation Limited and Controlled Entities (the consolidated entity), which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration of the consolidated entity, comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

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

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

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of International Equities Corporation Limited on 28th September 2010, would be in the same terms if provided to the directors as at the date of this auditor's report

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Auditor's Opinion
In our opinion:

a. the financial report of International Equities Corporation Limited and International Equities Corporation Limited and Controlled Entities is in accordance with the *Corporations Act 2001*, including:

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

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

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

Report on the Remuneration Report

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

Auditor's Opinion
In our opinion, the Remuneration Report of International Equities Corporation Limited for the year ended 30 June 2010 complies with Section 300A of the *Corporations Act 2001.*

MOORE STEPHENS

Suan-Lee Tan | **Moore Stephens**
Partner | **Chartered Accountants**

Signed at Perth this 28th day of September 2010

DIRECTORS' DECLARATION

In the opinion of the Directors of International Equities Corporation Limited (the "Company"):

1. the financial statements and notes and the remuneration disclosures that are contained in the Directors' Report, are in accordance with the *Corporations Act 2001,* including:
   a. complying with Australian Accounting Standards and the Corporations Regulations 2001; and
   b. giving a true and fair view of the consolidated entity's financial position as at 30 June 2010 and of its performance for the year ended on that date;

2. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

3. The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the chief executive officer and chief financial officer for the financial year ended 30 June 2010.

4. Note 1 confirms that the financial statements also comply with the International Financial Reporting Standards as issued by the International Accounting Standards Board.

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

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AG Menezes
Director

Perth, Western Australia
28th September 2010

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2010

	Note	Consolidated entity		Parent entity	
		2010	2009	2010	2009
		$000	$000	$000	$000
Revenues from continuing operations	2	36,461	24,181	289	16
Property development costs	3	(20,029)	(11,451)	-	-
Hotel cost of goods sold	3	(8,107)	(4,880)	-	-
Sales commission	3	(482)	(101)	-	-
Borrowing costs expense	3	(3,412)	(2,967)	-	-
Administrative expenses		(4,746)	(7,145)	(765)	(1,077)
Depreciation expenses		(169)	(65)	(7)	(5)
Impairment of Land & Buildings & Inventories		(4,178)	-	-	-
Profit/(loss) from continuing operations before related income tax expense		(4,662)	(2,428)	(483)	(1,066)
Income tax expense		-	-	-	-
Profit/(loss) from continuing operations after related income tax expense	21	(4,662)	(2,428)	(483)	(1,066)
Other Comprehensive Income					
Gain in Revaluation of Land and Building		9,754	-	-	-
Total comprehensive income/(loss) for the year		5,092	(2,428)	(483)	(1,066)
Net gain / (Loss) from continuing operations attributable to the members of the parent entity		(4,662)	(2,428)	(483)	(1,066)
Total comprehensive income/(loss) attributable to members of the parent entity		5,092	(2,428)	(483)	(1,066)
Basic earnings per share		(3.64)c	(1.89)c		
Diluted earnings per share		(3.64)c	(1.89)c		

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2010

	Note	Consolidated entity		Parent entity	
		2010	2009	2010	2009
		$000	$000	$000	$000
Current assets					
Cash assets	9	721	822	55	7
Receivables	10	1,308	618	-	-
Inventories	11	17,134	36,165	-	-
Other	15	106	296	-	-
Total current assets		19,269	37,901	55	7
Non current assets					
Receivables		-	-	3,495	4,517
Inventories	11	7,554	10,090	43	43
Property, plant and equipment	13	45,362	36,708	5	10
Other financial assets	12	1,438	780	1,438	780
Intangible assets	14	562	1	-	-
Total non current assets		54,916	47,579	4,982	5,350
Total assets		74,185	85,480	5,037	5,357
Current liabilities					
Payables	16	4,389	3,876	176	12
Interest-bearing Liabilities	17	6,438	20,815	-	-
Short term provisions	18	201	86	-	-
Total current liabilities		11,028	24,777	176	12
Non current liabilities					
Interest – bearing liabilities	17	45,623	48,262		
Total non current liabilities		45,623	48,262	-	-
Total liabilities		56,651	73,039	176	12
Net assets		17,533	12,441	4,861	5,345
Equity					
Contributed equity	19	12,093	12,093	12,093	12,093
Reserves	20	12,564	2,810	40	40
Retained earnings / (accumulated losses)	21	(7,124)	(2,462)	(7,271)	(6,788)
Total equity		17,533	12,441	4,861	5,345

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

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

	Share capital	Share option reserves	Asset revaluation reserves	Retained earnings	Total	Total Equity
(a) Consolidated Entity						
Balance at 1 July 2009	12,093	40	2,770	**(2,462)**	**12,441**	**12,441**
Net loss for the year	-	-	-	(4,662)	**(4,662)**	**(4,662)**
Gain on property Plant & Equipment	-	-	9,754	-	**-**	**9,754**
Total recognised income & expense for the period	12,093	40	12,524	(7,124)	**7,779**	**17,533**
Revaluation Reserve	-	-	-	-	**-**	
Dividends paid or declared	-	-	-	-	**-**	**-**
Issue of share capital	-	-	-	-	**-**	**-**
Equity share options issued	-	-	-	-	**-**	**-**
Balance at 30 June 2010	**12,093**	**40**	**12,524**	**(7,124)**	**17,533**	**17,533**
Balance at 1 July 2008	**12,093**	**40**	**2,770**	**(34)**	**14,869**	**14,869**
Net loss for the year	-	-	-	(2,428)	**(2,428)**	**(2,428)**
Total recognised income & expense for the period	12,093	40	2,770	(2,462)	**12,441**	**12,441**
Revaluation Reserve		-				
Dividends paid or declared	-	-	-	-	**-**	**-**
Issue of share capital	-	-	-	-	**-**	**-**
Equity share options issued	-	-	-	-	**-**	**-**
Balance at 30 June 2009	**12,093**	**40**	**2,770**	**(2,462)**	**12,441**	**12,441**
(b) Parent Entity						
Balance at 1 July 2009	**12,093**	**40**	**-**	**(6,788)**	**5,345**	**5,345**
Net profit (loss)	-	-	-	(483)	**(483)**	**(483)**
Total recognised income & expense for the period	12,093	40	-	(7,271)	**4,862**	**4,862**
Revaluation Reserve		-	-	-	**-**	**-**
Dividends paid or declared	-	-	-	-	**-**	**-**
Issue of share capital	-	-	-	**-**	-	**-**
Equity share options issued	-	-	-	-	**-**	**-**
Balance at 30 June 2010	**12,093**	**40**	**-**	**(7,271)**	**4,862**	**4,862**
Balance at 1 July 2008	**12,093**	**40**	**-**	**(5,721)**	**6,412**	**6,412**
Net profit (loss)	-	-	-	(1,067)	**(1,067)**	**(1,067)**
Total recognised income & expense for the period	12,093	40	-	(6,788)	**5,345**	**5,345**
Revaluation Reserve		-	-	-	**-**	**-**
Dividends paid or declared	-	-	-	-	**-**	**-**
Issue of share capital	-	-	-	-	**-**	**-**
Equity share options issued	-	-	-	-	**-**	**-**
Balance at 30 June 2009	**12,093**	**40**	**-**	**(6,788)**	**5,345**	**5,345**

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

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2010

	Note	Consolidated entity		Parent entity	
		2010	2009	2010	2009
		$000	$000	$000	$000
Cash flows from operating activities					
Receipts from customers		35,705	23,280	288	22
Payments to suppliers and employees		(12,705)	(15,083)	(739)	(765)
Interest received		66	74		-
Borrowing costs paid		(3,412)	(2,967)	-	-
Other - property development costs		(932)	(5,098)	-	-
Net cash (used in)/provided by operating activities	8(a)	18,722	206	(450)	(743)
Cash flows from investing activities					
Purchase of intangibles (Goodwill)		(561)	-	-	-
Purchase of property, plant and equipment		(589)	(389)	(2)	
Purchase of investments		(658)	(123)	(658)	(441)
Proceeds from sale of a controlled entity, net of cash disposed		-	-		(318)
Net loans – subsidiaries		-	-	-	-
Net cash provided by/(used in) investing activities		(1,808)	(512)	(660)	(759)
Cash flows from financing activities					
Proceeds from borrowings		1,117	10,696	-	-
Repayment of borrowings		(18,132)	(10,805)	1,158	1,503
Net cash provided by financing activities		(17,016)	(109)	1,158	1,503
Net increase/(decrease) in cash held		(102)	(415)	48	1
Cash at the beginning of the financial year		822	1,237	7	6
Effect of exchange rates on cash		-	-	-	-
Cash at the end of the financial year	9	720	822	55	7

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

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

1. Summary of Significant Accounting Policies

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

The financial report covers the economic entity of International Equities Corporation Limited and its controlled entities. International Equities Corporation Limited is a listed public company, incorporated and domiciled in Australia.

The financial report of International Equities Corporation Limited and controlled entities, and International Equities Corporation Limited as an individual chief entity comply with all International Financial Reporting Standards (IFRS) in their entirety.

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

Basis of Preparation

The accounting policies set out below have been consistently applied to all years presented.

Reporting Basis and Conventions

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

Accounting Policies

(a) Principles of Consolidation

The consolidated financial statements comprise the financial statements of International Equities Corporation Limited and of its controlled entities. Details of the controlled entities are contained in Note 24.

A controlled entity is any entity controlled by International Equities Corporation Limited. Control exists where International Equities Corporation Limited has the capacity to dominate the decision-making in relation to the financial and operating policies of another entity so that the other entity operates with International Equities Corporation Limited to achieve the objectives of International Equities Corporation Limited.

All inter-company balances and transactions between entities in the economic entity, including any unrealised profits or losses, have been eliminated on consolidation. Where a controlled entity has entered or left the economic entity during the year its operating results have been included from the date control was obtained or until the date control ceases.

(b) Investments

Other Investments

Other investments are brought to account at cost. The carrying amount of investments is reviewed annually by directors to ensure it is not in excess of the recoverable amount of these investments. The recoverable amount is assessed from the shares' market value or the underlying net assets in the particular companies.

1. Summary of Significant Accounting Policies (Continued)

(c) Income tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

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

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

Deferred tax is calculated at the tax rate that is expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the statement of comprehensive income 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 into account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

The company and its wholly-owned 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 1st July 2003.

(d) Inventories

Inventories, including land held for resale, are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Cost includes the cost of acquisition, development costs, holding costs and directly attributable interest on borrowed funds where the development is a qualifying asset. When a development is completed and ceases to be a qualifying asset, borrowing costs and other costs are expenses as incurred.

(e) Impairment of assets

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

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

1. Summary of Significant Accounting Policies (Continued)

(f) Property, Plant & Equipment

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

Property

Freehold land and buildings are shown at fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), determined every three years by an independent valuation performed by an external independent valuer, less subsequent depreciation for buildings. In the interim years, fair value is based on Directors' assessments having regard to market movements. Changes to fair values are recorded in the Asset Revaluation Reserve in the Statement of Financial Position.

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

Plant & Equipment

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

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

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

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land and building, is depreciated on a straight line basis over their useful lives to the economic entity commencing from the time the asset is held ready for use.

The expected useful lives are as follows:

Furniture, fixtures and equipment	5 years
Motor vehicles	5 years
Leasehold Improvement at cost	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

(g) Cash

For purposes of the statement of cash flows, cash includes deposits at call which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts.

1. Summary of Significant Accounting Policies (Continued)

(h) Earnings per share

a. Basic earnings per share
Basic earning per share is determined by dividing the group operating result after income tax attributable to members by weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

b. Diluted earnings per share
Diluted earnings per share adjusts the figure used in the determination of basic earnings per share by taking into account amounts paid on ordinary shares and any reduction in earnings per share that will probably arise from the exercise of options outstanding during the financial year.

(i) Land held for development and resale

Land held for development and resale comprises land held for development, contract costs and other holding costs incurred to date.

Costs include the cost of acquisition, development, interest on funds borrowed for the development and holding costs until completion of development. Interest and holding charges incurred after development are expensed. Profit is recognised on an individual contract basis generally at settlement.

(j) Receivables

All trade and other debtors are recognised at the amounts receivable as they are due for settlement no more than 30 days from date of recognition. Collection of trade and other debtors are reviewed on an ongoing basis; uncollectible debts are written off. A provision for doubtful debts is raised where some doubt as to collection exists.

(k) Revenue

Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes.

Revenue from the sale of apartments or units is generally recognised upon settlement.

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

Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue from the rendering of services and accommodation is recognised upon the provision of the service to customers.

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

(l) Trade and other creditors

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. These amounts are unsecured and are usually paid within 30 days of recognition.

(m) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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

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

1. Summary of Significant Accounting Policies (Continued)

(n) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the item of the expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(o) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(p) Financial Instruments

Recognition
Financial instruments are initially measured at cost on trade date, which include transaction costs, when the related contractual rights and 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 and within the requirements of AASB 139: Financial Instruments - Recognition and Measurement. Derivatives are also categorised as held for trading hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the statement of comprehensive income in the period in which they arise.

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.

Held-to-maturity investments
These investments have fixed maturities, and it is the group's intention to hold these investments to maturity. Any held-to-maturity investments held by the group 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 or 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.

1. Summary of Significant Accounting Policies (Continued)

Derivative Instruments
Derivative instruments are measured at fair value. Gains and losses arising from changes in fair value are taken to statement of comprehensive income 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 arms length transaction, reference to similar instruments and option pricing models.

Impairment
At each reporting date, the group 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 value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

(q) Comparative Figures

Where appropriate comparative figures have been adjusted to conform to changes in presentation of the current financial period.

(r) Rounding of Amounts

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

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 externally or within the group.

Key Estimates - Impairment

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

The loan payable to Renaissance Assets Pty Ltd, as disclosed in note 17 and note 25 (iii), has been recorded at fair value of $13.36 million. In estimating the fair value of this loan the directors have discounted the loan repayments, which are expected to be made progressively over a 10 year period, using a discount rate of 4.5% p.a.

Key Judgements

No key judgements, having a significant risk of causing material adjustment to the carrying amount of assets and liabilities within the next annual reporting period, have been incorporated into the financial report for the year ended 30 June 2010.

(s) Adoption of New and Revised Accounting Standards

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

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

AASB 3: Business Combinations

In March 2008, the Australian Accounting Standards Board revised AASB 3 and as a result, some aspects of business combination accounting have changed. The changes apply only to business combinations which occur from 1 July 2009.

Recognition and measurement impact

Recognition of acquisition costs — The revised version of AASB 3 requires that all costs associated with a business combination be expensed in the period in which they were incurred. Previously such costs were capitalised as part of the cost of the business combination.

Measurement of contingent considerations — The revised AASB 3 requires that contingent considerations associated with a business combination be included as part of the cost of the business combination. They are recognised at the fair value of the payment calculated having regard to probability of settlement. Any subsequent changes in the fair value or probability of payment are recognised in the statement of comprehensive income except to the extent where they relate to conditions or events existing at acquisition date, in which case the consideration paid is adjusted. The previous version of AASB 3 allowed such changes to be recognised as a cost of the combination impacting goodwill.

Measurement of non-controlling interest — For each business combination, the acquirer must measure any non-controlling interest in the acquiree either at the fair value of the non-controlling interest (the *full goodwill method*) or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets. Under the previous version of AASB 3 only the latter option was permitted.

Recognition of contingencies — The revised AASB 3 prohibits entities from recognising contingencies associated with a business combination, unless they meet the definition of a liability.

Business combinations achieved in stages — The revised AASB 3 requires that where a business combination is achieved in stages, any previously held equity interest is to be remeasured to fair value and the resulting gain or loss, being the difference between fair value and historical cost, is to be recognised in the statement of comprehensive income. The previous version of AASB 3 accounted for each exchange transaction separately, using cost and fair value information at the date of each exchange to determine the amount of any goodwill associated with the acquisition. It was therefore possible to compare the cost of each individual investment with the fair value of identifiable net assets acquired at each step.

Disclosure impact

The revised AASB 3 contains a number of additional disclosure requirements not required by the previous version of AASB 3. The revised disclosures are designed to ensure that users of the Group's financial statements are able to understand the nature and financial impact of any business combinations on the financial statements.

There has been no impact of AASB 3 on the company during the year.

AASB 8: Operating Segments

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

Measurement impact

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

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

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

Impairment testing of the segment's goodwill

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

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

Disclosure impact

AASB 8 requires a number of additional quantitative and qualitative disclosures, not previously required under AASB 114, where such information is utilised by the chief operating decision maker.

This information is now disclosed as part of the financial statements.

AASB 101: Presentation of Financial Statements

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

Disclosure impact

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

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

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

New Accounting Standards for Application in Future Periods

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

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

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

  The changes made to accounting requirements include:

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

  — simplifying the requirements for embedded derivatives;

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

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

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

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

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

    b. the characteristics of the contractual cash flows.

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

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

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

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

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

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

- AASB 2009–9: Amendments to Australian Accounting Standards — Additional Exemptions for First-time Adopters [AASB 1] (applicable for annual reporting periods commencing on or after 1 January 2010).

  These amendments specify requirements for entities using the full cost method in place of the retrospective application of Australian Accounting Standards for oil and gas assets, and exempt entities with existing leasing contracts from reassessing the classification of those contracts in accordance with Interpretation 4 when the application of their previous accounting policies would have given the same outcome. These amendments are not expected to impact the Group.

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

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

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

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

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

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

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

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

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

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

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

		Consolidated entity		Parent entity	
		2010	2009	2010	2009
		$000	$000	$000	$000
2.	**REVENUE**				
	Operating activities				
	- sales of apartments	21,628	8,657	-	-
	- sale of land (318 Walsh)	-	3,201	-	-
	- sale of services and accommodation	13,565	10,183	-	-
	- property management fees	704	839	-	-
	- rental revenue	454	646	-	-
	- interest received - other persons	66	74		-
	- other revenue	44	263	289	16
		36,461	23,863	289	16
	Revenue from outside the operating activities				
	- write back of provisions and loans		-	-	-
	- write back of 318 Walsh losses	-	318	-	-
		36,461	24,181	289	16

3.	**PROFIT/ (LOSS) FROM ORDINARY ACTIVITIES**				
	Profit/(loss) from ordinary activities before income tax has been determined after:				
	(a) Borrowing costs:				
	- other persons	3,412	2,967		-
	Expenses:				
	Administration costs	4,746	7,145	765	759
	Hotel costs and cost of goods sold	8,107	4,880	-	-
	Depreciation of non-current assets:				
	- plant and equipment	169	65	7	5
	Development costs – apartments	20,030	7,638	-	-
	Development costs – 318 Walsh	-	3,813	-	-
	Commissions	482	101	-	-
	Other	-	-	-	318
		33,534	23,643	772	1,082
	(b) Significant revenues and expenses				
	The following significant revenue and expense items, included above, are relevant in explaining the financial performance:				
	Impairment – Land & Buildings	(1,269)	-	-	-
	Inventories (non – current)	(2,909)	-	-	-
	Net (loss) / gain	(4,178)	-	-	-

4.	**INCOME TAX BENEFIT**				
	Reversal of Deferred Tax Liability	-	-	-	-
		-	-	-	-

5. KEY MANAGEMENT PERSONNEL

(a) Names and positions held by key management personnel in office at any time during the financial year are:

Parent entity directors:		
Executive Directors:		
MPF Tow	Chairman	- International Equities Corporation Group
TS Wong	Director	- International Equities Corporation Group
Non-Executive Directors:		
KL Tow	Director	- International Equities Corporation Group
AG Menezes	Director / Company Secretary	- International Equities Corporation Group
Subsidiary entity directors:		
EWT Tow	Director	- Seasons Apartment Hotel Group Pty Ltd
A Ambalavanar	Director / Chief Executive Officer	- Seasons Apartment Hotel Group Pty Ltd
CL Chuah	Director / General Manager	- (IEC) Pacific Pty Ltd
G Stidworthy	Director / Officer in Effective Control	- IEC Real Estate Pty Ltd

There are no other employees within the consolidated entity who are considered to be key management personnel as defined by AASB 124.

(b) Options and rights holdings

Number of options held by parent entity directors and specified executives:

	Balance 1.7.09	Granted as remuneration	Options exercised*	Net change other*	Balance 30.6.10	Total vested 30.6.10	Total exercisable	Total unexercisable
Parent entity directors:								
Executive Directors:								
MPF Tow	-	-	-	-	-	-	-	-
TS Wong	-	-	-	-	-	-	-	-
Non - Executive Directors:								
KL Tow	-	-	-	-	-	-	-	-
AG Menezes	-	-	-	-	-	-	-	-
Specified executives:								
EWT Tow	-	-	-	-	-	-	-	-
A Ambalavanar	-	-	-	-	-	-	-	-
CL Chuah	-	-	-	-	-	-	-	-
G Stidworthy	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-

(c) Shareholdings

Number of shares held by parent entity directors and specified executives:

	Balance 1.7.09	Received as remuneration	Options exercised	Net change other*	Balance 30.6.10
Parent entity directors:					
Executive Directors:					
MPF Tow +	60,853,125	-	-	-	60,853,125
TS Wong ++	21,862,500	-	-	(21,862,500)	-
Non – Executive Directors:					
KL Tow	-	-	-	-	-
AG Menezes	-	-	-	-	-
Specified executives:					
EWT Tow +	60,853,125	-	-	-	60,853,125
A Ambalavanar	-	-	-	-	-
CL Chuah +++	20,000,000	-	-	-	20,000,000
G Stidworthy	-	-	-	-	-

\+ Interest arises from their directorship in Renaissance Assets Pty Ltd
++ Interest arises from his directorship in Amaya Investments Pty Ltd
+++ Interest arises from her directorship in Premium Properties (Aust) Pty Ltd
* Net change other refers to shares purchased or sold during the financial year.

	Consolidated entity		Parent entity	
	2010	2009	2010	2009
	$000	$000	$000	$000
6. AUDITOR'S REMUNERATION				
Remuneration of the auditor of the parent company for:				
- auditing or reviewing the financial report	69	62	14	14
- other services		-	-	-
Remuneration of other auditors of controlled entities for:	-			
- auditing or reviewing the financial report of	-	-	-	-
- controlled entities		-	-	-
	69	62	14	14

7. EARNINGS PER SHARE

Basic earnings / (loss) per share (3.64) cents (2009: 1.89 cents)

(a) Weighted average number of ordinary shares outstanding during the year used in calculation of basic earnings per share is 128,223,577 (2009: 128,223,577).

(b) Diluted earnings per share is not materially different from earnings per share

8. CASH FLOW INFORMATION

(a) Reconciliation of cash flow from operations with operating profit/(loss) after income tax

	Consolidated entity 2010 $000	Consolidated entity 2009 $000	Parent entity 2010 $000	Parent entity 2009 $000
Operating profit/(loss) after income tax	(4,662)	(2,428)	(483)	(1,066)
Non-cash flows in operating profit				
Write back of provision and loan payable	-	-	-	-
Reversal of Deferred Tax	-	17	-	-
Depreciation of plant and equipment	169	65	7	5
Impairment of Land & Building	1,269	-		
Writeback of provision Dim in Dev Costs	-	(318)	-	318
Impairment of non- current inventories	2,909	-	-	-
Changes in assets and liabilities				
(Increase)/Decrease in trade debtors	(690)	(39)		-
(Increase)/Decrease in prepayments	190	(200)	-	6
(Increase)/Decrease in inventories	18,908	6,066	-	-
(Decrease)/increase in accounts payable	894	(3,125)	41	(21)
(Decrease) in accrued expenses	(380)	168	-	-
Increase/(decrease) in deferred tax	-	-	-	-
Increase/(Decrease) in provisions	115	-	(15)	15
Net cash (used in)/provided by operating activities	18,721	206	(450)	(743)

	Consolidated entity		Parent entity	
	2010	2009	2010	2009
	$000	$000	$000	$000
9. CASH				
Cash at bank and on hand	721	822	55	7
	721	822	55	7

Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

	Consolidated 2010	Consolidated 2009	Parent 2010	Parent 2009
Cash (as above)	721	822	55	7
Bank Overdrafts	-	-	-	-
	721	822	55	7

No deposit rates apply for 2010 (2009: NIL %)

Loan facilities

Bank and other loan facilities available comprise:

	Consolidated 2010	Consolidated 2009	Parent 2010	Parent 2009
- Ashe Morgan Winthrop [(a)]	-	97	-	-
- Bendigo and Adelaide Bank Ltd [(b)]	4,595	4,690	-	-
- Renaissance Assets Pty Ltd [(c)]	13,500	12,394	-	-
- Challenger Howard Mortgage Trust [(d)]	-	4,109	-	-
- Westpac Banking Corp Ltd [(e)]	1,179	6,645	-	-
- National Australia Bank [(f)]	32,790	41,569	-	-
- Other loans	138	260	-	-
Total facilities available	52,202	69,764	-	-
Used at balance date	52,063	69,078	-	-

Terms of facilities

(a) $0.097 million in mezzanine facilities expired on 31 July 2009. Amounts were paid in full.
(b) $4.595 million is a bank bill variable rate facility expiring 30 April 2011.
(c) $13.5 million is a zero rate loan facility provided by Renaissance Assets Pty Ltd, a related party, with no fixed terms of repayment.
(d) $4.109 million is a bank bill variable rate facility expiring 28 March 2011. Amount is now fully paid.
(e) $1.179 million is a bank bill variable rate facility expiring 31 December 2010. The amount was fully paid in July 2010.
(f) $32.79 million is a mix of fixed and bank bill variable rate facilities with a $0.66 million expiring before 30 June 2011 and the remaining balance expiring 30 November 2011.

10. RECEIVABLES

	Consolidated 2010	Consolidated 2009	Parent 2010	Parent 2009
Current				
Trade debtors	1,321	639	-	-
Less: provision for doubtful debts	(13)	(21)	-	-
	1,308	618	-	-
Other debtors				
Amounts receivable from				
-other persons	-	-	-	-
	-	-	-	-
	1,308	618	-	-
Non-current				
Amounts receivable from				
-controlled entities	-	-	23,204	24,225
Less: provision for non recovery	-	-	(19,708)	(19,708)
Provision for GST Refundable	-	-	-	-
	-	-	3,495	4,517

Loans to controlled entities largely form part of the net investment in those entities

	Consolidated entity		Parent entity	
	2010	2009	2010	2009
	$000	$000	$000	$000
11. INVENTORIES				
Current				
Completed units held for resale	17,060	36,122	-	-
Land and contract costs held for resale *	-	-	-	-
Consumables and stores – at cost	74	43	-	-
	17,134	36,165	-	-
Non-current				
Land and contract costs held for resale *	7,553	10,090	43	43
	7,553	10,090	43	43

* Land and contract costs held for resale comprises:

		-		
Cost of acquisition	-	-	-	-
Development costs capitalised (net of impairment writedown)	3,247	6,690	-	-
Borrowing costs capitalised	4,306	3,400	-	-
Completed units held for resale	-	-	43	43
	7,553	10,090	43	43

Land and contract costs held for resale relate to property developments currently being undertaken in Melbourne, Victoria, and Adelaide, South Australia, by wholly controlled companies.

12. OTHER FINANCIAL ASSETS

	Consolidated 2010 $000	Consolidated 2009 $000	Parent 2010 $000	Parent 2009 $000
Non-current				
Non-quoted investments:				
Investment in other entities – at cost	1,438	780	1,438	780
Shares in controlled entities – at cost (note 24)	-	-	-	-
Less: provision for diminution of shares in controlled entities	-	-	-	-
	1,438	780	1,438	780

13. PROPERTY, PLANT AND EQUIPMENT

	Consolidated entity 2010 $000	Consolidated entity 2009 $000	Parent entity 2010 $000	Parent entity 2009 $000
Freehold land and buildings				
Seasons of Perth hotel at valuation (1)	25,750	15,443	-	-
Seasons Heritage Melbourne hotel at valuation (2)	18,547	20,619	-	-
	44,297	36,062	-	-
Furniture, fittings and equipment				
At cost	3,644	3,062	58	56
Less: accumulated depreciation	(2,583)	(2,423)	(53)	(46)
	1,061	639	5	10
Motor vehicles				
At cost	10	10	-	-
Less: accumulated depreciation	(5)	(3)	-	-
	5	7	-	-
Total	45,363	36,708	5	10

(i) The fair value of Seasons of Perth Hotel was adjusted in Feb 2010 based on an independent valuation by CB Richard Ellis (V) Pty Ltd. A revaluation gain adjustment of $9.754 million to the fair value has been recognised as Other Comprehensive Income.

(ii) The fair value of Seasons of Heritage Melbourne was adjusted in Feb 2010 based on an independent valuation by CB Richard Ellis (V) Pty Ltd. A fair value loss adjustment of $1.269 million to the fair value has been expensed in the Statement of Comprehensive Income.

Reconciliations:

	Consolidated entity 2010 $000	Consolidated entity 2009 $000	Parent entity 2010 $000	Parent entity 2009 $000
Freehold land and buildings				
Opening balance	36,062	15,443	-	-
Development Cost reclassified from Inventory	-	20,619	-	-
Gain on revaluation – Seasons of Perth	9,754	-	-	-
Impairment on revaluation – Seasons Heritage Melb	(1,269)	-	-	-
Development cost of sale	(250)	-	-	-
Closing balance	44,297	36,062	-	-
Furniture, fittings and equipment				
Opening balance	639	314	10	16
Additions	587	388	-	-
Depreciation	(166)	(63)	(5)	(6)
Closing balance	1,060	639	5	10
Motor vehicles				
Opening balance	7	9	-	-
Additions	-	-	-	-
Depreciation	(2)	(2)	-	-
Closing balance	5	7	-	-

	Consolidated entity		Parent entity	
	2010	2009	2010	2009
	$000	$000	$000	$000
14. INTANGIBLE ASSETS				
Formation expenses	1	1	-	-
Goodwill	561			
	562	1	-	-

	Consolidated Entity		Parent Entity	
	2010	2009	2010	2009
	$	$	$	$
Purchased goodwill	561	-	-	-
Other	1	1	-	-
	562	1	-	-

Intangible assets, other than goodwill, have finite useful lives. Goodwill has an infinite life.

Impairment Disclosures

Purchased goodwill relates to cost of acquiring the management operations of the Seasons Darling Harbour Hotel ("SDH") in September 2009. This intangible asset is allocated to a single cash-generating unit (i.e. SDH) which forms part of the group's tourism segment.

	2010	2009
	$	$
Seasons Darling Harbour	561	-
	561	-

The recoverable amount of this cash-generating unit is determined based on value-in-use calculations. Value-in-use is calculated based on the present value of cash flow projections over a 5-year period.

The following assumptions were used in the value-in-use calculations:

	Daily Average Room Yields	Occupancy Rates	Discount Rate
Seasons Darling Harbour	$141 - $151	93% - 95%	15%

Management has based the value-in-use calculations on the above assumptions, including an estimate of a terminal value of the asset at year 5 of the forecast. The above room yields and occupancy rates are considered reasonable and are based on the Hotel's historical trading performance. The discount rate of 15% has been adopted to take into account the risk free rate and risk premiums associated with this company's operations. Discount rates are pre-tax and are adjusted to incorporate risks associated with a particular segment.

Based on the above the Director's have determined that purchased goodwill is not impaired.

	Consolidated entity		Parent entity	
	2010	2009	2010	2009
	$000	$000	$000	$000
15. OTHER				
Prepayments	106	296	-	-

16. PAYABLES

	Consolidated 2010 $000	Consolidated 2009 $000	Parent 2010 $000	Parent 2009 $000
Current - unsecured liabilities				
Trade creditors	4,186	3,292	38	12
Other creditors and accrued charges	203	584	138	-
	4,389	3,876	176	12

17. FINANCIAL LIABILITIES

	Consolidated 2010 $000	Consolidated 2009 $000	Parent 2010 $000	Parent 2009 $000
Current				
Finance lease	41	29	-	-
Bank loan – secured [a]	6,397	20,786	-	-
	6,438	20,815	-	-
Non current				
Bank loans - secured [a]	32,126	35,868	-	-
Loan from related party [e]	13,361	12,394	-	-
Other loans – secured	138	-	-	-
	45,624	48,262	-	-

Notes:

(a) Secured loans are expected to be settled:				
- within 12 months	**6,438**	**20,815**	**-**	**-**
- 12 months of more	**45,624**	**48,262**	**-**	**-**
(b) Total current and non-current secured liabilities	**52,062**	**69,077**	**-**	**-**
(c) The carrying amounts of current and non-current assets pledged as security are:				
First mortgage				
Freehold land and buildings	**44,297**	**36,062**	**-**	**-**
Inventory for sale	**17,060**	**27,997**	**-**	**-**
			-	**-**
Property under development	**7,553**	**18,214**		
Total assets pledged as security	**68,910**	**82,273**	**-**	**-**

(d) The bank loans are secured by assets of IEC (Management) Pty Ltd, IEC (Pacific) Pty Ltd, IEC South Yarra Pty Ltd, Seasons of Adelaide Pty Ltd and Renaissance Australia Pty Ltd's property, a debenture charge from these companies, a guarantee from the holding company and a deed of subordination from the holding company.

(e) The loan from related party is unsecured.

The covenants within the bank borrowings require the minimum interest cover ratio (the ratio of EBIT to Gross Interest) be 1.3 times for the quarters ending 30th June 2010 and 1.5 times for the quarters ending 31st December 2010. In addition, the maximum property finance loan to value ratios (LVR) must be maintained at 60% commencing on 30 June 2010, reducing to 52% from 31 December 2010. Most recent covenants have been reviewed and accepted by the bank.

18. PROVISIONS

	Consolidated 2010 $000	Consolidated 2009 $000	Parent 2010 $000	Parent 2009 $000
Employee entitlements	201	86	-	-

19. CONTRIBUTED EQUITY

	Consolidated entity 2010 $000	Consolidated entity 2009 $000	Parent entity 2010 $000	Parent entity 2009 $000
Paid-up capital:				
128,223,577 fully paid ordinary shares (2009: 128,223,577)	12,093	12,093	12,093	12,093
128,223,577 issued and fully paid ordinary shares (2009: 128,223,577)	12,093	12,093	12,093	12,093
At end of the financial year	12,093	12,093	12,093	12,093

The only shares the Company has on issue are the fully paid ordinary shares. These shares have the right to receive dividends as declared and, in the event of a winding up of the Company, to participate in the proceeds of the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

The ordinary shares entitle the holder to one vote, either in person or by proxy, at a meeting of the Company.

	12 months to 30 June 2010 No. of shares	12 months to 30 June 2010 $000	12 months to 30 June 2009 No. of shares	12 months to 30 June 2009 $000
Movement in ordinary shares on issue:				
Beginning of the period	128,223,577	12,093	128,223,577	12,093
Share based payments	-	-	-	-
Shares issued for nil consideration	-	-	-	-
Shares bought back on-market	-	-	-	-
At end of the financial year	128,223,577	12,093	128,223,577	12,093

Capital Management

When managing capital, the Board's objective is to ensure the Consolidated Entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

The Board may in the future adjust the capital structure to take advantage of favourable costs of capital and issue further shares in the market. The Board has no current plans to adjust the capital structure. There are no plans to distribute dividends in the next year.

The Consolidated Entity is not subject to any externally imposed capital requirements.

20. RESERVES

	Consolidated entity 2010 $000	Consolidated entity 2009 $000	Parent entity 2010 $000	Parent entity 2009 $000
Share option reserve	40	40	40	40
Asset revaluation reserve	12,524	2,770	-	-
	12,564	2,810	40	40

	Consolidated entity		Parent entity	
	2010	2009	2010	2009
	$000	$000	$000	$000
21. ACCUMULATED PROFITS/(LOSSES)				
Accumulated profits/(losses) at beginning of the financial year	(2,462)	(34)	(6,788)	(5,721)
Net profit/(loss) attributable to the members of the parent entity	(4,662)	(2,429)	(483)	(1,067)
Accumulated profits/(losses) at end of the financial year	(7,124)	(2,462)	(7,271)	(6,788)

22. Financial Risk Management

(a) Financial Risk Management Policies

The group's financial instruments consists mainly of deposits with banks, short term investment, accounts receivable and payable, loans to and from subsidiaries, bank loans, finance leases and derivatives.

The main purpose of non-derivative financial instruments is to raise finance for group operations.

Derivatives are used by the group for hedging purposes. The company uses interest rate swap agreements to hedge against rising interest rates. The instrument is in place for with remaining term ending November 2011. The group does not speculate in the trading of derivative instruments.

i) Treasury Risk Management

The board of directors meet on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

The board's overall risk management strategy seeks to assist the consolidated group in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

Risk management policies are approved and reviewed by the Board on a regular basis. These include the use of hedging derivative instruments, credit risk policies and future cash flow requirements.

ii) Financial Risk Exposure and Management

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

Interest rate risk

Interest rate risk is managed with a mixture of fixed and floating rate debt. At 30 June 2010, approximately 55% of group debt is floating. Under the present financial conditions interest rate policies are dictated by the financial institutions. The role of the board also includes negotiating for preferred margins over prescribed rates.

Foreign Currency risk

The group is not exposed to fluctuations in foreign currencies arising from the sale and purchase of goods and services. All transactions are in Australian Dollars.

22. Financial Risk Management (continued)

Liquidity risk

The group manages liquidity risk by maintaining adequate banking and borrowing facilities through the monitoring of future rolling cash flow forecasts of its operations, which reflect management's expectations of the settlement of financial assets and liabilities.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group.

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents, trade and other receivables and other financial assets. The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral or other security obtained. Exposure at balance date is addressed in each applicable note.

The Company does not hold any credit derivatives to offset its credit exposure.

The Board monitors credit risk by actively assessing the rating quality and liquidity of counter parties:

- only banks and financial institutions with an "A" rating are utilised;
- all potential customers are rated for credit worthiness taking into account their size, market position and financial standing;

The group only invests in listed available – for sale financial assets that have a minimum 'A' credit rating. At present the Consolidated Group has no exposure to this risk.

Unlisted available for sale financial assts are not rated by external credit agencies. These are reviewed regularly by the group to ensure that credit exposure is minimised.

The credit risk for counterparts included in trade and other receivables at 30 June 2010 is detailed below:

	Consolidated Group		**Parent Entity**	
	2010	**2009**	**2009**	**2008**
	$000	**$000**	**$000**	**$000**
Trade and other Receivables				
AA rated counterparties	-	-	-	-
B rated counterparties	-	-	-	-
Counterparties not rated	1,308	618	-	-
Total	1,308	618	-	-

The consolidated group does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the consolidated group.

Price risk

The group is not exposed to risk in commodity prices.

22. Financial Risk Management (continued)

b) Financial Instruments

i) Derivative Financial Instruments

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

Interest Rate Swap

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

The notional principal amounts of the swap contracts approximate the consolidated group's borrowing facility. The settlement dates of the swap contracts correspond with the interest payment dates of the borrowings. The swap contracts require settlement of the net interest receivable or payable and are brought to account as an adjustment to borrowing costs.

At balance date, the details of the interest rate swap contracts are:

	Effective Average Interest Rate Payable				**Notional Principal**			
	Consolidated Group		**Parent Entity**		**Consolidated Group**		**Parent Entity**	
	2010	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**
	%	**%**	**%**	**%**	**$000**	**$000**	**$000**	**$000**
Settlement								
Less than 1 year	5.75	5.75	-	-	14,300	14,300	-	-
1 to 2 years	6.25	6.25	-	-	14,300	14,300	-	-
2 to 5 years	6.55	6.55	-	-	14,300	14,300	-	-

ii. Financial Instrument Composition and maturity analysis

The tables below reflect the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the statement of financial position.

22. Financial Risk Management (continued)

	Weighted Average Effective Interest Rate		Floating Interest Rate		Fixed Interest Rate Maturing Within 1 Year		Fixed Interest Rate Maturing 1 to 5 Years		Non - Interest Bearing		Total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
	%	%	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000
Consolidated Group:												
Financial Assets												
Cash and cash equivalents	4.25	1.24	-	-	721	822	-	-	-	-	721	822
Receivables	-	-	-	-	-	-	-	-	1,308	618	1,308	618
Investments	-	-	-	-	-	-	-	-	1,438	780	1,438	780
Total Financial Assets			-	-	721	822	-	-	2,746	1398	3,467	2,220
Financial Liabilities												
Bank loans and overdrafts	11.62	8.07	-	-	6,438	20,815	32,124	29,868	-	-	38,562	50,683
Trade and sundry payables	-	-	-	-	-	-	-	-	4,390	3,876	4,390	3,876
Amounts payable related parties	-	-	-	-	-	-	13,499	12,394	-	-	13,499	12,394
Lease liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Interest rate swaps	5.75	5.75	-	6,000	-	-	-	-	-	-	-	6,000
Financial guarantees	-	-	-	-	-	-	-	-	-	-	-	-
Total Financial Liabilities			6,000	6,000	6,438	20,815	45,623	42,262	4,390	3,876	56,451	72,953
Parent Entity:												
Financial Assets												
Cash and cash equivalents	-	-	-	-	55	7	-	-	-	-	55	7
Receivables	-	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	1,438	780	1,438	780
Total Financial Assets			-	-	55	7	-	-	1,438	780	1,493	787
Financial Liabilities												
Bank loans and overdrafts	-	-	-	-	-	-	-	-	-	-	-	-
Trade and sundry payables	-	-	-	-	-	-	-	-	176	12	176	12
Amounts payable related parties	-	-	-	-	-	-	-	-	-	-	-	-
Financial guarantees	-	-	-	-	-	-	-	-	-	-	-	-
Total Financial Liabilities			-	-	-	-	-	-	176	12	176	12

22. Financial Risk Management (continued)

Trade and other receivables are expected to be collected as follows:

	Consolidated Group		Parent Entity	
	2010 $000	2009 $000	2010 $000	2009 $000
Trade and other Receivables				
Not past due	698	249	-	-
Past due 30 days	121	134	-	-
Past due 60 days	97	80	-	-
Past due 90 days	35	62	-	-
Past due 90 days +	370	114	-	-
Less: Amount impaired	(13)	(21)	-	-
Total amount not impaired	1,308	618	-	-

Trade and sundry payables are expected to be paid as follows:

	Consolidated Group		Parent Entity	
	2010 $000	2009 $000	2010 $000	2009 $000
Trade and other Payables				
Less than 6 months	4,390	3,876	176	12
6 months to 1 year	-	-	-	-
1 to 5 years	-	-	-	-
Over 5 years	-	-	-	-
	4,390	3,876	176	12

(iii) Net Fair Values

The net fair values of:

- All assets and liabilities approximate their carrying value

No financial assets and financial liabilities are readily traded on organised markets.

Financial assets where the carrying amount exceeds net fair values have not been written down as the consolidated group intends to hold these assets to maturity.

22. Financial Risk Management (continued)

Aggregate net fair values and carrying amounts of financial assets and financial liabilities at balance date:

	2010		2009	
	Carrying Amount $000	**Net Fair Value $000**	**Carrying Amount $000**	**Net Fair Value $000**
Financial Assets				
Available for sale financial assets at fair value	1,438	1,438	780	780
Trade and other receivables	1,308	1,308	618	618
	2,746	2,746	1,398	1,398
Financial Liabilities				
Trade and other payables	4,390	4,390	3,876	3,876
Bank and other loans payable	52,062	52,062	69,078	69,078
	56,452	56,452	72,954	72,954

(iv) Sensitivity Analysis

Interest Rate Risk

The group has performed a sensitivity analysis relating to its exposure to interest rate risk at balance sheet date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

Interest Rate Sensitivity Analysis

At 30 June 2010, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	Consolidated Group		**Parent Entity**	
	2010 ($000)	2009 ($000)	2010 ($000)	2009 ($000)
Change in Profit				
- Increase in interest rate by 2%	(769)	(915)	-	-
- Decrease in interest rate by 2%	769	915	-	-
Change in Equity				
- Increase in interest rate by 2%	(769)	(915)	-	-
- Decrease in interest rate by 2%	769	915	-	-

The above interest rate sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

The Company is not exposed to foreign currency risk or price risk.

23. INCOME TAX EXPENSE

	Consolidated entity		Parent entity	
	2010	2009	2010	2009
	$000	$000	$000	$000
(a) The prima facie tax on profit/(loss) from ordinary activities before income tax is reconciled to the income tax as follows:				
Profit/(loss) from ordinary activities before income tax	(4,662)	(2,428)	(483)	(1,066)
Income tax liability/(benefit) calculated at 30% of profit/(loss) from ordinary activities before income tax	(1,399)	(729)	(145)	(320)
Add: Tax effect of permanent differences	-	-	-	-
	(1,399)	(729)	(145)	(320)
Timing differences and tax losses not brought to account as future income tax benefits	1,399	729	145	320
Overprovision for income tax in prior year	-	-	-	-
Capital profits not subject to income tax	-	-	-	-
Income tax expense	-	-	-	-
(b) Deferred tax liability comprises; Profits deferred for tax purposes	-	-	-	-
(c) Deferred tax assets Certain deferred tax assets have not been recognised as an asset: attributable to tax losses at 30% (2009: 30%)	3,600	3,600	-	-

The benefit of tax losses will be only obtained if:

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

24. INVESTMENTS IN CONTROLLED ENTITIES

	Country of incorporation	Percentage owned 2010	Percentage owned 2009
Parent entity:			
International Equities Corporation Ltd*	Australia	-	-
Controlled entities:			
(IEC) Pacific Pty Ltd*	Australia	100	100
IEC (Management) Pty Ltd*	Australia	100	100
IEC Real Estate Pty Ltd*	Australia	100	100
IEC South Yarra Pty Ltd*	Australia	100	100
Renaissance Australia Pty Ltd*	Australia	100	100
Seasons Heritage Melbourne Pty Ltd*	Australia	100	100
Seasons of Adelaide Pty Ltd*	Australia	100	100
Seasons at the York Pty Ltd**	Australia	100	100
IEC Properties Pty Ltd*	Australia	100	100
Seasons Apartment Hotel Group Pty Ltd**	Australia	100	100
Seasons International Management Pty Ltd*	Australia	100	100
318 Walsh St Pty Ltd*	Australia	-	50
Seasons Darling Harbour Pty Ltd	Australia	100	-

* Audited by Moore Stephens, Perth
** Dormant in the Financial Year 2010

25. 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.

Transactions with related parties:

(i) During the financial year the company provided accounting and administration services to other entities in the group at no cost.

(ii) Details of all share and share option transactions between directors and director related entities in the company are as follows:

	2010	2009
Aggregate number held at 30 June 2010:		
Shares	60,853,125	60,853,125
Share options	-	-

(iii) MPF Tow has an interest in Renaissance Assets Pty Ltd and Renaissance United Asset Management Pty Ltd arising from his directorship in these entities.

	Consolidated entity 2010 $000	Consolidated entity 2009 $000	Parent entity 2010 $000	Parent entity 2009 $000
Loans receivable at year end from:				
Renaissance Assets Pty Ltd – non current (i)	-	-	-	-
Loans payable at year end to:				
Renaissance Assets Pty Ltd – current (i)	-	-	-	-
Renaissance Assets Pty Ltd – non current (i)	13,361	12,394	-	-

(i) These loans are unsecured and interest free.

26. WHOLLY OWNED GROUP

The wholly owned group consists of the company and its wholly-owned controlled entities. Ownership interests in these controlled entities are set out in note 24.

Transactions between the company and other entities in the wholly-owned group during the year consist of:

(a) loans advanced; and
(b) loans repaid.

Transaction	Terms and conditions	% owned	Amount (payable) or receivable 2010 $000	2009 $000
Non current loan to IEC (Management) Pty Ltd	Interest free	100%	(5,350)	(2,450)
Non current loan to IEC South Yarra Pty Ltd	Interest free	100%	1,450	1,317
Non current loan to (IEC) Pacific Pty Ltd	Interest free	100%	12,242	11,385
Non current loan to IEC Properties Pty Ltd	Interest free	100%	1	1
Non current loan to Renaissance Australia Pty Ltd	Interest free	100%	8,071	8,416
Non current loan to Seasons Apartment Hotel Group Pty Ltd	Interest free	100%	1	1
Non current loan to Seasons International Management Pty Ltd	Interest free	100%	(49)	(49)
Non current loan to Seasons Heritage Melbourne Pty Ltd	Interest free	100%	867	372
Non current loan to Seasons of Adelaide	Interest free	100%	6,000	5,232
Non current loan to Seasons Darling Harbour	Interest free	100%	1	-
Non current loan to Seasons at the York Pty Ltd	Interest free	100%	-	-
Non current loan to IEC Real Estate Pty Ltd	Interest free	100%	(30)	-
Non current loan of SHM vs SIM Pty Ltd	Interest free	100%	1	-
Non current loan of Ren. Australia vs SIM Pty Ltd	Interest free	100%	(41)	-
Non current loan of Ren. Australia vs SHM Pty Ltd	Interest free	100%	159	-
Non current loan of SHM vs SIM Pty Ltd	Interest free	100%	205	-
Non current loan of SDH vs SIM Pty Ltd	Interest free	100%	600	
			24,129	24,225

Amounts payable to and receivable from controlled entities are unsecured with no fixed term of repayment.

27. CAPITAL & LEASING COMMITMENTS

(a) The economic entity is not subject to any operating lease commitments as at 30 June 2010.

	Consolidated entity 2010 $000	Consolidated entity 2009 $000	Parent entity 2010 $000	Parent entity 2009 $000
(b) Finance Lease Commitments:				
Payable – minimum lease payments				
- not later than 12 months	41	29	-	-
- between 12 months and 5 years	-	-	-	-
- greater than 5 years	-	-	-	-
Minimum lease payments	41	29	-	-

(c) Capital Expenditure Commitments

Capital expenditure commitments contracted for property developments:

	Consolidated entity 2010 $000	Consolidated entity 2009 $000	Parent entity 2010 $000	Parent entity 2009 $000
Payable				
- not later than 12 months	-	643	-	-
- between 12 months and 5 years	-	41	-	-
- greater than 5 years	-	-	-	-
	-	684	-	-

28. SEGMENTAL REPORTING

Segment Information

Identification of reportable segments

The group has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group is managed primarily on the basis of product category and service offerings since the diversification of the Group's operations inherently have notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and are also similar with respect to the following:
- the products sold and/or services provided by the segment;
- the type or class of customer for the products or service;
- the distribution method; and
- external regulatory requirements.

Types of products and services by segment

Property Development

The property development and re-sale segment is responsible for identifying, costing and financing potential development opportunities, developing acquisitions and finding buyers for completed developments.

Tourism

Tourism relates to the Group's own hotel operations and to leasing and operating a hotel cum serviced apartment for a fee.

Leasing Rental Property

This relates to long term leases of apartments for a fixed lease income

28. SEGMENTAL REPORTING (Continued)

(i) Segment performance

	Property Development	Tourism	Leasing	Total
Twelve months ended 30.06.2010				
Revenue				
Total segment revenue	22,927	14,577	1,327	38,831
Interest income	55	11		66
Less: intersegment elimination	(1,274)	(750)	(412)	(2,436)
Total segment revenue	21,708	13,838	915	36,461
Segment results	(5,532)	529	341	(4,662)
Profit from operations before income tax expense				(4,662)
Twelve months ended 30.06.2009				
Revenue				
Total segment revenue	13,705	10,849	1,177	25,731
Interest income	69	5		74
Less: intersegment elimination	(982)	(374)	(268)	(1,624)
Total segment revenue	12,792	10,480	909	24,181
Segment results	(4,140)	894	818	(2,428)
Profit from operations before income tax expense				(2,428)

28. SEGMENTAL REPORTING (Continued)

Primary reporting business segments

	Property Development $'000	Tourism $'000	Others $'000	Leasing $'000	Consolidated $'000
2010					
Revenue	21,708	13,838	-	915	36,461
Segment operating (loss)/profit after tax	(5,532)	529	-	341	(4,662)
Segment assets	47,840	26,345	-	-	74,185
Segment liabilities	33,720	22,931	-	-	56,651
2009					
Revenue	12,792	10,480	263	646	24,181
Segment operating (loss)/profit after tax	(4,140)	894	263	555	(2,428)
Segment assets	69,156	16,324	-	-	85,480
Segment liabilities	49,677	23,363	-	-	73,040

Secondary Reporting

Geographical Segments	Australia $'000	South East Asia $'000	Inter-Segment Elimination $'000	Consolidated $'000
2010				
Revenue	36,461	-	-	36,461
Segment operating (loss)/profit after tax	(4,662)	-	-	(4,662)
Segment assets	74,186	-	-	74,186
Segment liabilities	56,652	-	-	56,652
2009				
Revenue	24,181	-	-	24,181
Segment operating (loss)/profit after tax	(2,428)	-	-	(2,428)
Segment assets	85,480	-	-	85,480
Segment liabilities	73,040	-	-	73,040

The economic entity effectively operates in one geographical segment being Australia with operations across Western Australia, South Australia and Victoria.

29. EVENTS OCCURRING AFTER BALANCE DATE

There has not been any matter or circumstances that has significantly affected, or may significantly affect, the operations of the economic entity, the results of those operations, or the state of affairs of the economic entity in the financial year after the financial year ended 30 June 2010

30. CONTINGENT LIABILITY

The directors are not aware of any event or occurrence that would result in any contingent liability becoming enforceable as at 30 June 2010.

31. ASX LISTING RULE AMENDMENTS

A number of amendments to the Listing Rules came into effect on 1 June 2010, including:

- **Listing rule 4.10.3**: the term "*best practice recommendations*" of the ASX Corporate Governance Council has been changed to "recommendations", to reflect the Council's usage in the latest version of the Council's Principles and Recommendations.
- **Listing rule 4.10.20(a)**: an investment entity will have to include in its annual report a list of its investments as at its balance date, rather than as at a date no more than 6 weeks before the date the annual report is sent to shareholders (which is the date to which the other information required under listing rule 4.10 must be current).
- **Appendix 5B** new lines have been introduced into section 4 of the quarterly cashflow report lodged by mining exploration entities. Mining explorers will have to include an estimate of the cash outflows for the next quarter for *production* and *administration*. This requirement must be complied with in the quarterly cashflow reports for the quarter ending 30 June 2010, which are due to be lodged by 30 July 2010.
- **Listing rule 7.2 exception 15** and **listing rule 10.12 exception 8**: these rules have been amended to take account of the changes made last year to ASIC Class Order relief governing the maximum value of shares or units that can be offered under a securities purchase plan (SPP) without a disclosure document. The limit was increased from $5,000 to $15,000 per shareholder/unitholder. The listing rules previously referred to "$5,000". They have been amended so that they refer to the issue of securities under an SPP making offers up to the maximum permitted to be offered under an SPP to each shareholder or unitholder in accordance with ASIC relief.
- Under listing rule 7.2 exception 15, there will still be an overall cap of 30% on the number of securities that may be issued under an SPP in accordance with the exception, and issues to underwriters of an SPP will still be excluded from the scope of the exception.
- **Appendix 7A – timetable for SPPs**: a new paragraph 10 has been included in Appendix 7A to mandate a timetable to be followed for SPPs. The record date for an SPP must be the business day immediately preceding the day on which the SPP is announced.
- **Listing rule 10.17**: has been amended to clarify that in calculating the total amount of directors' fees payable for the purpose of that rule, superannuation contributions made by a listed entity for the benefit of non-executive directors, and fees that a non-executive director agrees to sacrifice on a pre-tax basis, are included.

32. COMPANY DETAILS

The registered office of the company is:

- International Equities Corporation Ltd
  Room 6, Seasons of Perth,
  37 Pier Street
  Perth WA 6000

The principal places of business are:

- International Equities Corporation Ltd
  Level 6, 348 St Kilda Road
  Melbourne, VIC 3004
  www.internationalequities.com.au

- IEC (Management) Pty Ltd
  Suite 100A, 640 Swanston Street
  Carlton Victoria 3053

- (IEC) Pacific Pty Ltd
  Level 6, 348 St Kilda Road
  Melbourne, VIC 3004

- IEC Real Estate Pty Ltd
  Suite 100A, 640 Swanston Street
  Carlton Victoria 3053
  www.iecrealestate.com.au

- IEC South Yarra Pty Ltd
  Level 6, 348 St Kilda Road
  Melbourne, VIC 3004

- IEC Properties Pty Ltd
  Level 6, 348 St Kilda Road
  Melbourne, VIC 3004

- Seasons Darling Harbour Pty Ltd
  38 Harbour Street
  Sydney NSW 2000
  www.seasonsdarlingharbour.com.au

- Seasons Apartment Hotel Group Pty Ltd
  Level 6, 348 St Kilda Road
  Melbourne, VIC 3004
  www.sahg.com.au

- Seasons International Management Pty Ltd
  37 Pier Street
  Perth WA 6000

- Seasons Heritage Melbourne Pty Ltd
  572 St Kilda Road
  Melbourne, VIC 3004
  www.seasonsheritagemelbourne.com.au

- Seasons of Adelaide Pty Ltd
  Level 6, 348 St Kilda Road
  Melbourne, VIC 3004

- Renaissance Australia Pty Ltd
  T/A Seasons of Perth
  37 Pier Street Perth WA 6000
  www.seasonsofperth.com.au

- Seasons at the York Pty Ltd
  Level 6, 348 St Kilda Road
  Melbourne, VIC 300

33. SHAREHOLDERS' INFORMATION

Details of shareholding in the company as at 21st September 2010. All shares are ordinary shares with equal voting rights.

(a) Distribution of shareholders

Size of holdings	Number of shareholders	% holders	Number of shares	% of issued capital
1 – 1,000	132	24.18	14,276	0.01
1,001 – 5,000	291	53.30	473,002	0.37
5,001 – 10,000	42	7.69	293,488	0.23
10,001 – 100,000	60	10.98	1,771,658	1.38
100,001 – and over	21	3.85	125,671,153	98.01
	546	100.00	128,223,577	100.00

(b) The number of shareholders with less than a marketable parcel of 2,500 shares was: 356

(c) The names of the substantial shareholders listed in the holding company's register are:

Shareholder	Number of Shares	%	Ranking
Renaissance Assets Pty Ltd	60,853,125	47.46	1
Amaya Investments Pty Ltd	21,862,500	17.05	2
Premium Properties (Aust) Pty Ltd	20,000,000	15.60	3
	102,715,625	80.11	

(d) Top 20 shareholders

Renaissance Assets Pty Ltd	60,853,125	47.46	1
Amaya Investments Pty Ltd	21,862,500	17.05	2
Premium Properties (Aust) Pty Ltd	20,000,000	15.60	3
Austral Amalgamated Bhd	15,312,500	11.94	4
Sophia Investments Pty Ltd	3,317,551	2.59	5
Mr Chang Kin Weng	1,177,000	0.92	6
Dawn Ventures Co Pte Ltd	557,875	0.44	7
Mr Trevor Neil Hay	376,403	0.29	8
Mr Dennis Jun Tow	363,207	0.28	9
Mr Khee Kwong Loo	343,750	0.27	10
Tat Hong (Australia) Pty Ltd	286,655	0.22	11
San Tiong Ng	209,652	0.16	12
Mdm Ngiap Yang Jee	192,500	0.15	13
Choon Mok Koh	181,250	0.14	14
Mr Sun Oh Ng	156,250	0.12	15
Mr Guan Koon Ng	131,250	0.10	16
CAA Properties Pty Ltd	126,375	0.10	17
Mdm Poo Yong Ng	117,500	0.09	18
Sun Ho Ng	114,560	0.09	19
Mr Chong Hock Ng	100,000	0.08	20
	125,739,708	98.09	

CORPORATE GOVERNANCE STATEMENT

Unless disclosed below, all the best practise recommendations of the ASX Corporate Governance Council's principles and recommendations ("ASX Guidelines") have been applied for the entire financial year ended 30 June 2010.

Information, documents, policies, statements and charters are held by the Company's secretary.

1. Lay solid foundations for management and oversight

The board is responsible for:

- oversight of the company, including its control and accountability systems
- ratifying the appointment/removal of the executive directors, chief financial officer (or equivalent) and the company secretary
- input into and final approval of management's development of corporate strategies and performance objectives
- reviewing and ratifying system of risk management and internal compliance and control, codes of conduct and legal compliance
- monitoring senior management's performance and implementation of strategy, and ensuring appropriate resources are available
- approving and monitoring the progress of major capital expenditure, capital management and acquisitions and divestitures
- approving and monitoring financial and other reporting
- assessing the competencies of board members, review board succession plans, evaluate board performance and recommend appointment and removal of directors
- setting executive remuneration policy
- appointing and removing external auditor.

The chairman is responsible for:

- leading the board in its duties to the company
- ensuring the processes and procedures are in place to evaluate the performance of the board and its individual directors
- facilitating effective discussions at board meetings
- ensuring effective communication with shareholders.

The executive directors are responsible for the effective and efficient operation and administration of the group including bringing material matters to the attention of the board.

Performance evaluation of all directors and executives are outlined in the remuneration report on pages 5 – 9. Performance evaluation was conducted in the manner prescribed.

The company secretary will be the secretary of the board.

Copies of matters reserved for the board, those delegated to senior executives and the board charters are held by the company's secretary.

2. Structure the board to add value

The constitution provides for a minimum of three and a maximum of nine directors. The board currently has four directors, two non-executive and two executive directors. Both non-executive directors are independent.

Whilst the company does not have a majority of non-executive directors, as recommended by ASX Corporate Governance Council best practice recommendation 2.1, it is proposed that the board be increased by another two independent non-executive directors, to comply with the recommendations of the ASX Corporate Governance Council's guidelines.

At this stage of development of the Company, the Board considers it neither appropriate nor cost effective for there to be a majority of independent directors, together with an Independent Chairman who is also not the CEO.

The chairman currently is an executive director and CEO.

The skills, experience and expertise relevant to the position of each director who is in office at the date of the annual report and their term of office are detailed in the directors' report.

The names of independent directors of the company are;

- KL Tow
- AG Menezes

An independent director is a non-executive director and:

- is not a substantial shareholder of the company or an officer of, or otherwise associated directly with, a substantial shareholder of the company
- within the last 3 years has not been employed in an executive capacity by the company or another group member, or been a director after ceasing to hold any such employment
- within the last 3 years has not been a principal of a material professional adviser or a material consultant to the company or another group member, or an employee materially associated with the service provided
- is not a material supplier or customer of the company or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer
- has no material contractual relationship with the company or another group member other than as a director of the company
- has not served on the board for a period which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the company
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the company.

In determining whether a non – executive director is independent, the director must meet the following materiality thresholds:-

- less than 10% of company shares are held by the director and any entity or individual directly or indirectly associated with the director
- no sales are made to or purchases made from any entity or individual directly or indirectly associated with the director and
- none of the directors' income or the income of an individual or entity directly or indirectly associated with the director is derived from a contract with any member of the economic entity other than income derived as a director of the entity.

Independent directors are to provide to the board all relevant information required for the board to regularly assess their independence. Both qualitative and quantitative information are assessed regularly for these purposes.

Independent directors have the right to consult independent professional advice in the furtherance of their duties as directors at the company's expense. Independent professional advice is sought at the company's cost.

A separate nomination committee is not considered necessary due to the small size of the board, with such role assumed by the main board. In their evaluation process, the board will consider skills, experience, stakeholder perspectives and independence of candidates for appointments to the board. Written approval must be obtained from the chair prior to incurring any expense on behalf of the company.

3. Promote ethical and responsible decision making

The board acknowledges and emphasises the importance of all directors and employees maintaining the highest standards of corporate governance practice and ethical standards.

The following is a guide for directors and senior executives as to:

- the key practices necessary to maintain confidence in the company's integrity
- the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

All directors and senior executives must act with high standards of honesty, integrity and fairness. Emphasis to be made to the following:

- *Conflicts of interest* - proper disclosure of such situations so that action can be taken to protect parties affected e.g. exclusion from participating in relevant decision making process
- *Corporate opportunities* - not to take advantage of property, information or position for personal gain or to compete with the company
- *Confidentiality* - not to make use of non-public confidential information for personal gain or in a manner detrimental to the company except where authorised or legally mandated
- *Fair dealing* - by all employees with the company's customers, suppliers, competitors and other stakeholders
- *Protection of and proper use of company's assets* - protecting and ensuring efficient use of assets for legitimate business purposes
- *Compliance with laws and regulations* - ensure strict compliance and promotion of compliance with the content and spirit of all laws, rules, regulations and this guide
- *Encouraging the reporting of unlawful / unethical behaviour* - ensure active promotion of ethical behaviour and protection for those who report violations in good faith.

CORPORATE GOVERNANCE STATEMENT (Continued)

The law prohibits insider trading and the Corporations Act and the ASX Listing Rules require disclosure of any trading undertaken by directors or their related entities in the company's securities.

This prohibition also covers the procurement of others to trade by directors who may have sensitive, commercial and confidential information by virtue of their office in the company. Guidelines for trading in company securities are:

- applicable to all directors of the company and related entities, the company secretary and staff members who are likely to be in possession of information concerning the company's financial position, strategies or operations.
- such "designated officers" as described above are required to provide notification to the company secretary and chairman of the company of intended trading except for dividend reinvestment plans and the like.
- they are also required to provide subsequent confirmation of the trading that has occurred.

Reference is to be made to the guide to black out periods, or non-trading periods, where no dealing is permitted, as issued by the ASX, a copy of which may be obtained from the company secretary.

An obligation exist for Directors to be independent in judgement and ensure all reasonable steps are taken to ensure due care is taken by the board in making sound decisions.

4. Safeguard integrity in financial reporting

The executive directors are to provide letters of assurance to the Board, in respect of each half year and full year financial report, stating that the company's financial report presents a true and fair view, in all material respects, of the company's financial position and financial performance in accordance with accounting standards and the requirements of the Corporations Act 2001.

An independence declaration is received from the external auditor in respect of the annual and half year financial reports stating that there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 and any applicable code of professional conduct . The provision of non audit services by the audit firm is monitored by the Board so as to ensure that the auditors' independence is not compromised by the provision of such non audit services.

The company does not have a formally constituted audit committee as the Board does not consider it is warranted given the size of the company.

The full Board is responsible for the nomination of the external auditors and for reviewing the adequacy of existing external audit arrangements, including the scope and quality of the audit. In relation to the rotation of the external audit engagement partner, the board is currently reviewing the recent changes announced in the CLERP 9 Act and will formulate a policy which complies with the requirements of that Act.

Whilst the company does not have a formally constituted audit committee, the Board reviews the performance of the external auditors on an annual basis and a representative of the board
meets with them at least three times a year to review:

- the proposed scope and timing of audit visits.
- the results and findings of the audit, the adequacy of accounting and internal controls, and to obtain feedback on implementation of recommendations made.
- the draft financial statements and audit review reports at year end and at half year.

The board monitors the need to form an audit committee on a periodic basis.

5. Make timely and balanced disclosure

In ensuring compliance with ASX listing rule 3.1 on continuous disclosure requirements, the company has adopted the following procedures:

Directors
- to promptly advise the company secretary of any matters requiring disclosure
- to authorise final form of announcement to the market

Company secretary
- to liaise with ASIC and ASX on disclosure matters and provide announcements duly
- to monitor the press and share price continuously
- to consult with the board on matters for announcements
- All policies are with the Company's secretary

The directors and company secretary are to ensure that compliance are adhered to rigidly as failure could lead to civil or criminal liabilities for the company and its directors and officers. They must exercise due care and diligence in the information disclosed with regard to its timeliness, content, clarity, completeness and objectivity.

6. Respect the rights of shareholders

The company recognises the importance of effective communication with shareholders and providing them with timely and balanced information. Hence in addition to the traditional means of communication (post, notices of meetings, meetings, annual reports and ASX announcements) the company is undertaking the setting up of a website which enables access to all relevant announcements made to the market, including notices of meeting, published financial data and other information concerning the company and its activities.

As a policy the external auditor will be requested to attend annual general meetings of the company and be available to answer shareholder questions.

Shareholders are strongly encouraged to attend and participate in the Annual General Meetings of International Equities Corporation Ltd to lodge questions to be responded by the Board and/or the CEO, and are able to appoint proxies.

7. Recognise and manage risk

The board considers identification and management of key risks associated with the business as vital to maximise shareholder wealth.

The board collectively assess the business and financial risks periodically on new and current ventures being undertaken by the company, covering all aspects of the business from the operational level through to strategic level risks. Through their skills and experience in the property and financial industries, they are able to make management decisions to minimise risks in the highly volatile fields of activities the company operates in.
Compliance and control systems are continually being monitored, reviewed and upgraded, assisted by external auditors and professional advisers, which lend towards maintaining the integrity of the company's financial and external reporting.

The executive directors are to provide a statement to the board to the effect that:

- the integrity of the financial statements is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the board

- the company's risk management and internal compliance and control system is operating efficiently and effectively in all material aspects. The effectiveness of these risk management and internal compliance and control system is monitored and reviewed regularly.

8. Remunerate fairly and responsibly

The performance of the board is measured from financial achievements and results of the company after each financial year. The board as a whole discusses and analyses its own performance during the year and where appropriate offers suggestions for change or improvement. The board works closely with management in reviewing budgets and evaluating investment opportunities for the company throughout each year.

New directors undertake an induction programme which gives them a better understanding of:

- the company's financial, strategic, operational and risk management position
- their rights, duties and responsibilities as directors

CORPORATE GOVERNANCE STATEMENT (Continued)

Directors are also periodically given updates and information relevant to the operation of the company and the industry generally as part of continuing education to enhance their skills and knowledge. They can also have access to any company and management information, the company secretary and also independent professional advice, if necessary, on company issues at company expense.

The company secretary monitors the implementation of board policies and procedures and coordinates the completion and despatch of board agenda and briefing materials. The company secretary is accountable to the board on all governance matters.

9. Remunerate fairly and responsibly

A separate remuneration committee is not considered necessary due to the small size of the board, with such role assumed by the main board.

Board members and senior executives receive fees for services and have no share qualification or entitlement.

In line with the company's constitution, directors shall be paid such sum as may from time to time be determined by the company in general meeting, to be divided among the directors in such proportions as they shall from time to time agree or in default of agreement equally.

Executive directors and senior executives are paid an annual cash salary, benchmarked against a board approved market position, which do not include a commission on or percentage of operating revenue. Payment of cash bonuses and any annual increment to salary are dependent upon meeting performance objectives which comprise both financial and non-financial components.

Directors and senior executives shall be entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as directors.

If any of the directors being willing shall be called to perform extra services on behalf of the company, the directors may remunerate such director in accordance with such services or exertions, and such remuneration may be in addition to his normal remuneration.

The amount of remuneration for all directors and the five highest paid executives, including all monetary and non-monetary components,

These are detailed in Note 4 to the financial report. All remuneration paid to executives is valued at the cost to the company and expensed.

10. Recognise the legitimate interests of stakeholders

The company advocates and promotes responsible conduct in the way its business is operated and recognises its legal, social and ethical commitments to stakeholders, regulators and the community at large. The guideline to conduct, as promoted in Principle 3, applies equally to all staff, executives and directors.

The company's policy on compliance and fair dealing is placed in the highest priority and promoted with vigour to staff at all levels. External professional advice is used where necessary. Areas of compliance include trade practices and fair dealing laws, consumer protection, privacy laws, employment laws, occupational health and safety, equal opportunity, superannuation, environment and pollution controls.

As a public corporation, the company encourages practices in public and social accountability on areas of legitimacy, fairness and ethics. The company continually strive to demonstrate this through management by example, encouraging accessibility and communication between staff and management, continuous education through updates and notices, use of suggestion boxes, having regular staff meetings and other management tools. The company also supports a number of community and charity organisations through participation in events and donations.

AMENDMENTS TO THE CORPORATE GOVERNANCE PRINCIPLES AND RECOMMENDATIONS

The ASX Corporate Governance Council has issued final amendments to its *Corporate Governance Principles and Recommendations (2nd Edition)* relating to diversity, remuneration, trading policies and briefings. The changes to the Principles and Recommendations include:

Gender diversity

The guidelines include a recommendation that ASX listed entities:

establish a policy concerning diversity, including measurable objectives and an annual assessment of progress, and disclose the policy or a summary of the policy;

disclose measurable objectives and the progress towards achieving them in each annual report; and

disclose the proportion of women on the board, in senior rmanagement and employed throughout the organisation in each annual report.

The guidance on Principle 3 has also been changed to:

include a new Box 3.2 which contains suggestions ••for the content of a diversity policy;

suggest boards determine which committee should review and report to the board on diversity;

recommend that boards should provide greater transparency of the processes used in searching for and selecting new directors; and

suggests boards disclose the mix of skills and diversity they are looking for in the membership of the board.

Remuneration

The updated guidelines include a recommendation (8.2) that ASX listed entities should establish a remuneration committee comprised of a majority of independent directors with at least three members and chaired by an independent director. In addition, for S&P/ASX300 companies, the proposed Listing Rule amendments will require these companies to have a Remuneration Committee comprised solely of non-executive directors (see section below on Listing Rule amendments); and

The guidance on Recommendation 8.1 includes that the remuneration committee should review remuneration by gender.

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seasons
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