

## Appendix 4E Preliminary Final Report

### Results for announcement to the market

For the year ended 30 June 2019

(Comparative figures being the year ended 30 June 2018)

	Movement	2019
<b>Revenue</b>		
Operating revenue	Up 3.3%	\$141.4 million
Special investment revenue	Up 1,007%	\$14.1 million

<b>Earnings</b>		
<b>Profit after tax attributable to shareholders:</b>		
<i>Including</i> special investment revenue & acquisition costs net of tax	Up 13.6%	\$147.7 million
<i>Excluding</i> special investment revenue & acquisition costs net of tax	Up 3.7%	\$133.6 million
<b>Earnings per share, basic and diluted:</b>		
<i>Including</i> special investment revenue & acquisition costs net of tax	Up 12.1%	22.19 cents
<i>Excluding</i> special investment revenue & acquisition costs net of tax	Up 2.4%	20.08 cents

<b>Dividend information</b>		
Final fully franked ordinary dividend	Up 2.0%	10.4 cents
<b>Final dividend dates:</b>		
Ex dividend date		8 August 2019
Record date		9 August 2019
Payment date		3 September 2019

*The Dividend Reinvestment Plan (DRP) will be in operation for the interim dividend.*

DRP price will be equal to the volume weighted average selling price (VWAP) over the five business day period commencing on 12 August 2019. **The last day for the receipt of an election notice for participation in the DRP is 12 August 2019.**



	30 June 2018	30 June 2019
<b>Net tangible asset backing per share (NTA)</b>		
<i>Before</i> provision for tax on unrealised capital gains	\$4.73	\$4.92
<i>After</i> provision for tax on unrealised capital gains	\$4.16	\$4.30

Refer to the attached media release for commentary and explanation of the results.

This report is based on financial statements which are in the process of being audited.

All documents comprise the information required by listing rule 4.3A.

## ASX | Media Release

19 July 2019

### Milton announces record 2019 full year results and increased final dividend.

SYDNEY, 19 July 2019

Milton Corporation Limited (ASX: MLT), a long term investor in companies listed on the Australian Securities Exchange, today reported a 13.6% increase in net profit after tax for the year ended 30 June 2019, to a record \$147.7 million, or 22.19 cents per share.

The result reflected growth in ordinary dividends combined with a sharp increase in special dividends received on Milton's \$3.1 billion equity portfolio.

Underlying profit, which excludes special dividends received, increased by 3.7% to \$133.6 million with underlying earnings per share increasing by 2.4% to 20.08 cents per share. Ordinary investment income, such as dividends and trust distributions, received in the year amounted to \$138.1 million or 97.6% of operating revenue.

Milton is also pleased to announce an increased fully franked final dividend of 10.4 cents per share bringing the full year ordinary dividend to 19.4 cents per share, an increase of 2.1% on 2018. Additionally, in the second half of 2019, Milton paid a special dividend to shareholders of 2.5 cents per share. Total fully franked dividends declared in relation to the 2019 earnings are a record 21.9 cents per share, an increase of 15.3% on 2018.

Milton's Managing Director, Mr Brendan O'Dea said, "With declining interest rates available to income focused investors we are very pleased to increase our fully franked dividends for the ninth consecutive year and pay Milton's first special dividend since 2015. Milton remains focused on growing our income and capital by investing for the long term and distributing that income through tax efficient dividends to Milton's 27,000 shareholders."

The 2019 result included \$14.1 million of special dividends. Milton received material special dividends from BHP, RIO, Wesfarmers, Telstra and Dulux.

Milton's reported NTA grew by 4.0% to \$4.92 in 2019 with total assets of \$3.3 billion increasing from \$3.1 billion in 2018. Milton continues to have no debt. The \$3.1 billion Australian listed equity portfolio is currently comprised of 85 companies. Positions in 24 companies and trusts increased by a total of \$96.6 million over the year. Investments were increased in Macquarie Group, BHP, AGL and Transurban with new investments in Cleanaway and Altium. Disposals amounted to \$43.4 million in 2019 and included complete sales of Milton's holdings in Vicinity Centres, Unibail-Rodamco and Challenger Limited.

Commenting on the portfolio, Mr O'Dea said, "Milton's experienced investment team are focused on companies with strong long term prospects. We seek to add positions to the portfolio that will provide future earnings growth and in 2019 have increased our investments in infrastructure, resources and technology exposed sectors whilst remaining cautious on the banks. We do not benchmark to any stock market index and believe that investing in quality companies over the long term will deliver earnings and capital growth for Milton's shareholders."

Milton acquired two private investment companies in 2019 with a combined value of \$40.1 million. The consideration for these accretive acquisitions is 8.4 million Milton shares. The portfolios held by the companies were highly complementary to Milton's existing portfolio. Milton welcomes the vendors to our share register and thanks them for their support.

Mr O'Dea said, "In addition to our long term performance, a significant appeal of Milton is our very low operating cost. With an expense ratio of 0.14% Milton represents one of the lowest cost professionally managed investment vehicles available to investors. In Australia, dividends are a large part of a shareholder's total return and Milton believes that costs matter greatly to the end result."

"2019 was a rewarding but volatile investing environment with the Australian federal election, US trade policy and interest rate declines providing ongoing distractions. Milton will continue to look through the transient noise of the

media cycle and focus on the expected performance of our investments. Milton retains considerable financial flexibility with cash of \$110 million and no debt. We are in a sound position to continue to invest when opportunities arise," Mr O'Dea added.

Valuations in the Australian market are elevated, compared to historical averages, as declining interest rates encourage investors to chase equity yield. Company earnings growth has been strong in 2019, particularly in the resources sector, due to high commodity prices. Milton forecasts company earnings growth to slow in 2020, providing a more challenging environment for dividend growth in our portfolio. We are particularly cautious about bank earnings and dividends with pressure on margins due to lower interest rates and higher compliance costs.

A further update on market conditions will be provided at Milton's Annual General Meeting to be held on 10 October 2019.

Milton is a listed investment company that was incorporated in 1938 and listed in 1958. Milton invests for the long-term in well managed companies with a profitable history and the expectation of dividend growth, and its key objective is to pay increasing fully franked dividends per share.

## OUR VALUE PROPOSITION

**Milton is a long term investor in equities, interest bearing securities and real property**

- Assets are not sold to increase profits for distributions
- Portfolio turnover is low

**Milton pays fully franked dividends semi annually**

- An ordinary dividend has been paid every year since listing in 1958
- Dividends are paid from income received from Milton's long term investment portfolio

**Milton holds a diverse portfolio of Australian listed companies**

- Equity Investment portfolio at 30 June 2019 was valued at \$3.1 billion
- Total Investment portfolio at 30 June 2019 was valued at \$3.3 billion

**Milton is an efficient and low cost manager of investments**

- Operating costs represent 0.14% of average total assets
- Milton is internally managed and no management or performance fees are charged

## CLASSIFICATION OF ASSETS

The following table shows assets at 30 June 2019 classified by Global Industry Classification Standard ("GICS") as adopted by the ASX.

<b>Classification</b>	<b>Total Assets %</b>
Banks	28.0
Materials	11.2
Other Financials	8.2
Energy	8.0
Industrials	7.5
Consumer Discretionary	7.0
Consumer Staples	6.0
Health Care	5.4
Insurance	3.9
Real Estate	3.4
Communication Services	3.2
Utilities	2.9
Information Technology	0.7
<b>Total Shares</b>	<b>95.4</b>
Cash	3.3
Other Assets	1.3
<b>Total</b>	<b>100.0</b>

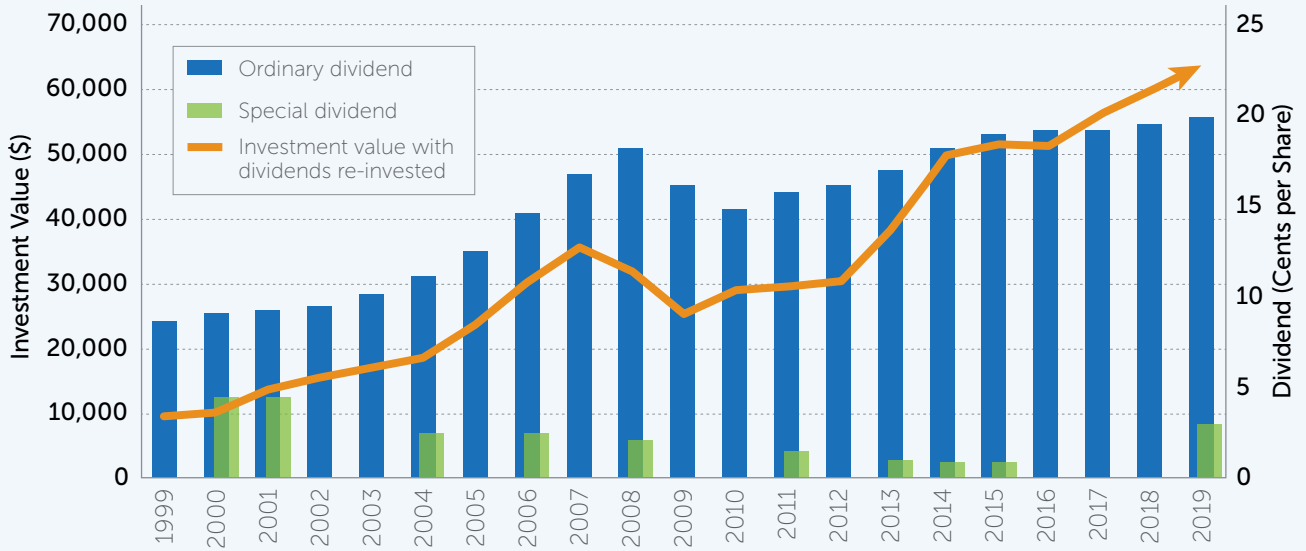
## MILTON'S INVESTMENT PROFILE

The 25 largest investments at 30 June 2019 are set out below.

<b>Company</b>	<b>Market Value \$m</b>
Westpac Banking Corporation	299.1
Commonwealth Bank	260.0
W H Soul Pattinson	201.8
BHP Group Limited	168.7
National Australia Bank	130.1
CSL Limited	129.3
Wesfarmers Limited	104.0
Woolworths Limited	97.6
ANZ Banking Group	97.4
Macquarie Group Limited	93.4
AGL Energy Limited	71.4
Bank of Queensland Limited	69.6
Rio Tinto Limited	69.4
Transurban Group	67.7
Bendigo and Adelaide Bank	66.1
Telstra Corporation	58.7
A P Eagers Limited	57.2
Brickworks Limited	52.7
Perpetual Limited	52.0
Insurance Australia Group Ltd	48.7
Woodside Petroleum Limited	46.9
ASX Limited	45.2
Suncorp Group	44.6
ALS Limited	44.6
Coles Group Limited	38.4
<b>Total market value of Top 25</b>	<b>2,414.6</b>
<b>Total Assets</b>	<b>3,293.9</b>

**PERFORMANCE CHARTS**

**Dividend and Investment Growth over 20 years**



If \$10,000 invested in MLT in June 1999, and if dividends were re-invested over the 20 years, the value of the investment in June 2019 would be worth \$63,718. Ordinary dividends increased from 8.20cps in FY1999 (adjusted for 5:1 split in Oct 2013) to 19.3cps in FY2019.

**Total Returns over 20 years**



**Total portfolio return (TPR)** is the percentage change in Milton's NTA per share plus dividends received by shareholders.  
**Total shareholder return (TSR)** is the percentage change in Milton's share price plus dividends received by shareholders.  
 TPR and TSR above do not take into account franking credits which may be of benefit to certain shareholders.

# Financial Statements

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# Consolidated Income Statement

## for the year ended 30 June 2019

	Note	2019 \$'000	2018 \$'000
Ordinary dividends and distributions	1a	138,070	132,540
Interest	1c	2,629	2,677
Net gains on trading portfolio	1d	169	807
Other revenue		551	847
<b>Operating Revenue</b>		<b>141,419</b>	136,871
Share of net profits of joint ventures – equity accounted	8a	1,504	388
Special dividends and distributions	1b	14,115	1,275
Income from operating activities		157,038	138,534
Administration expenses		(4,220)	(4,116)
Acquisition related costs of subsidiaries		(124)	(90)
<b>Profit before income tax expense</b>		<b>152,694</b>	134,328
Income tax expense thereon	2a	(5,042)	(4,321)
<b>Profit attributable to shareholders of Milton</b>		<b>147,652</b>	130,007

	Note	2019 Cents	2018 Cents
Basic and diluted earnings per share	3	22.19	19.80

The Consolidated Income Statement is to be read in conjunction with the Notes to the Consolidated Financial Statements.

# Consolidated Statement of Comprehensive Income

## for the year ended 30 June 2019

	<b>2019</b>	<b>2018</b>
	\$'000	\$'000
<b>Profit</b>	<b>147,652</b>	130,007
<b>Other comprehensive income</b>		
Items that will not be reclassified to profit and loss		
Revaluation of investments	<b>123,000</b>	139,282
Provision for tax (expense) benefit on revaluation of investments	<b>(37,458)</b>	(43,518)
Other comprehensive income, net of tax	<b>85,542</b>	95,764
<b>Total comprehensive income for the year attributable to the shareholders of Milton</b>	<b>233,194</b>	225,771

The Consolidated Statement of Comprehensive Income is to be read in conjunction with the Notes to the Consolidated Financial Statements.



# Consolidated Statement of Financial Position

as at 30 June 2019

	Note	2019 \$'000	2018 \$'000
<b>Current assets</b>			
Cash	9	110,306	131,815
Receivables	10a	15,187	27,829
Prepayments		275	144
<b>Total current assets</b>		<b>125,768</b>	159,788
<b>Non-current assets</b>			
Investments	7	3,141,236	2,931,879
Joint ventures – equity accounted	8b	23,125	21,389
Receivables	10b	3,431	2,605
Plant and equipment		37	68
Deferred tax assets	2c	294	360
<b>Total non-current assets</b>		<b>3,168,123</b>	2,956,301
<b>Total assets</b>		<b>3,293,891</b>	3,116,089
<b>Current liabilities</b>			
Payables		1,182	1,135
Current tax liabilities		280	349
Provisions		68	248
<b>Total current liabilities</b>		<b>1,530</b>	1,732
<b>Non-current liabilities</b>			
Deferred tax liabilities	2d	416,657	378,769
Provisions		258	258
<b>Total non-current liabilities</b>		<b>416,915</b>	379,027
<b>Total liabilities</b>		<b>418,445</b>	380,759
<b>Net assets</b>		<b>2,875,446</b>	2,735,330
<b>Shareholders' equity</b>			
Issued capital	11	1,633,055	1,582,431
Capital profits reserve	12b	66,148	51,651
Asset revaluation reserve	12a	969,156	898,111
Retained profits		207,087	203,137
<b>Total equity attributable to shareholders of Milton</b>		<b>2,875,446</b>	2,735,330

The Consolidated Statement of Financial Position is to be read in conjunction with the Notes to the Consolidated Financial Statements.

# Consolidated Statement of Changes in Equity

## for the year ended 30 June 2019

	Issued capital \$'000	Capital profits reserve \$'000	Asset revaluation reserve \$'000	Retained profits \$'000	Total equity \$'000
<b>Balance at 1 July 2018</b>	1,582,431	51,651	898,111	203,137	2,735,330
Profit	–	–	–	147,652	147,652
Other comprehensive income	–	–	85,542	–	85,542
<b>Total comprehensive income</b>	–	–	85,542	147,652	233,194
Net realised gains	–	14,497	(14,497)	–	–
Transactions with shareholders:					
Share issues	50,624	–	–	–	50,624
Dividends paid	–	–	–	(143,702)	(143,702)
<b>Balance at 30 June 2019</b>	1,633,055	66,148	969,156	207,087	2,875,446

	Issued capital \$'000	Capital profits reserve \$'000	Asset revaluation reserve \$'000	Retained profits \$'000	Total equity \$'000
<b>Balance at 1 July 2017</b>	1,553,896	59,545	794,453	196,159	2,604,053
Profit	–	–	–	130,007	130,007
Other comprehensive income	–	–	95,764	–	95,764
<b>Total comprehensive income</b>	–	–	95,764	130,007	225,771
Net realised losses	–	(7,894)	7,894	–	–
Transactions with shareholders:					
Share issues	28,535	–	–	–	28,535
Dividends paid	–	–	–	(123,029)	(123,029)
<b>Balance at 30 June 2018</b>	1,582,431	51,651	898,111	203,137	2,735,330

The Consolidated Statement of Changes in Equity is to be read in conjunction with the Notes to the Consolidated Financial Statements.

# Consolidated Statement of Cash Flows

## for the year ended 30 June 2019

	Note	2019 \$'000	2018 \$'000
<b>Cash flows from operating activities</b>			
Dividends and distributions received		162,171	132,644
Interest received		2,818	2,923
Distributions received from joint venture entities		2,500	3,086
Other receipts in the course of operations		465	732
Proceeds from sales of trading securities		169	1,018
Payments for trading securities		–	(211)
Other payments in the course of operations		(4,557)	(4,078)
Income taxes paid		(4,637)	(2,853)
<b>Net cash provided by operating activities</b>	22a	<b>158,929</b>	133,261
<b>Cash flows from investing activities</b>			
Proceeds from disposal of investments	7c	44,168	59,719
Proceeds from redemption of other financial assets		1,153	6,011
Payments for investments in equities and trusts		(96,674)	(70,184)
Payments for investments in joint ventures		(2,731)	(1,188)
Payments for acquisition related costs of subsidiaries		(124)	(90)
Cash on acquisition of subsidiaries		5,016	–
Payments for plant and equipment		(2)	(25)
Loans repaid by other entities		3,177	415
Loans advanced to other entities		(1,258)	(862)
<b>Net cash used in investing activities</b>		<b>(47,275)</b>	(6,204)
<b>Cash flows from financing activities</b>			
Payments for issue of shares		(90)	(28)
Ordinary dividends paid		(133,073)	(113,590)
<b>Net cash used in financing activities</b>		<b>(133,163)</b>	(113,618)
<b>Net (decrease) increase in cash assets held</b>		<b>(21,509)</b>	13,439
<b>Cash assets at the beginning of the year</b>		<b>131,815</b>	118,376
<b>Cash assets at the end of the year</b>	9	<b>110,306</b>	131,815

The Consolidated Statement of Cash Flows is to be read in conjunction with the Notes to the Consolidated Financial Statements.

# Notes to the Consolidated Financial Statements

## for the year ended 30 June 2019

### Key Numbers

#### 1. Revenue

Milton's revenue is derived from dividends, distributions, interest income, profit from joint ventures and income arising from the trading portfolio.

	2019	2018
	\$'000	\$'000
<b>a. Ordinary dividends and distributions</b>		
Milton receives ordinary dividend income and trust distributions from its long term investments in companies and trusts listed on the Australian Securities Exchange.		
Investments held in portfolio at 30 June	137,059	130,860
Investments sold during the year	1,011	1,680
	<b>138,070</b>	132,540
<b>b. Special dividends and distributions</b>		
This special investment revenue is received on an ad hoc basis and cannot be relied upon each year.		
Investments held in portfolio at 30 June	14,111	1,275
Investments sold during the year	4	–
	<b>14,115</b>	1,275
<b>c. Interest</b>		
Milton earns interest on its cash, term deposits and other liquid assets.		
Interest from deposits and cash	2,629	2,630
Interest income from other liquid securities	–	47
	<b>2,629</b>	2,677
<b>d. Net gains from trading portfolio</b>		
Net gains from trading portfolio	169	807

Dividends and distributions are brought to account on the dates that the securities trade ex-dividend.

Demerger dividends arising from company de-consolidations are treated as a return of capital and not as a dividend.

Interest on cash and term deposits is brought to account on an accruals basis. Interest on other liquid securities is recognised on the date these securities trade ex-dividend.

Interest on cash and term deposits is brought to account on an accruals basis. Interest on other liquid securities is recognised on the date these securities trade ex-dividend.

Trading securities are recognised initially at cost and subsequently measured at fair value. Changes in fair value are taken directly through the income statement.

Dividends from trading securities are brought to account on the dates the securities trade ex-dividend.

# Notes to the Consolidated Financial Statements

## continued

### 2. Tax

This note provides analysis of Milton's income tax expense, shows amounts that are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items. The note also details the deferred tax assets and liability balances and their movements.

	2019	2018
	\$'000	\$'000
<b>a. Reconciliation of Income Tax Expense to prima facie tax payable</b>		
Profit before income tax	152,694	134,328
Prima facie income tax expense calculated at 30% on the profit before income tax expense	45,808	40,298
Increase (decrease) in income tax expense due to:		
Tax offset for franked dividends	(40,392)	(35,527)
(Over) provision in prior year	(804)	(553)
Other differences	430	103
<b>Income tax expense on profit</b>	<b>5,042</b>	<b>4,321</b>
<b>b. Tax expense composition</b>		
Current tax on profits for the year	5,358	4,735
(Over) provision in prior year	(804)	(553)
Decrease in deferred tax assets (note 2c)	58	36
Increase in deferred tax liabilities (note 2d)	430	103
	<b>5,042</b>	<b>4,321</b>
<b>c. Deferred tax assets</b>		
The balance comprises temporary differences attributable to:		
Provisions	274	338
Share issue expenses	4	12
Other	16	10
<b>Total deferred tax assets</b>	<b>294</b>	<b>360</b>
Movements:		
Balance at 1 July	360	388
(Charged) credited to the income statement	(58)	(36)
(Charged) to equity	(8)	8
<b>Balance at 30 June</b>	<b>294</b>	<b>360</b>
To be recovered within 12 months	42	108
To be recovered after more than 12 months	252	252
	<b>294</b>	<b>360</b>

# Notes to the Consolidated Financial Statements

continued

	2019	2018
	\$'000	\$'000
<b>d. Deferred tax liabilities</b>		
The balance comprises temporary differences attributable to:		
Amounts recognised directly in equity:		
Revaluation of investments	423,999	392,620
Realised capital losses	(23,800)	(30,156)
Amounts recognised in profit:		
Gains on scrip for scrip rollovers	16,043	16,043
Income receivable which is not assessable for tax until receipt	415	262
	<b>416,657</b>	<b>378,769</b>
Movements:		
Balance at 1 July	378,769	335,148
Charged to income statement	430	103
Charged to other comprehensive income	37,458	43,518
<b>Balance at 30 June</b>	<b>416,657</b>	<b>378,769</b>
<b>To be settled beyond 12 months</b>	<b>416,657</b>	<b>378,769</b>

The income tax expense for the period is the tax payable on the current year's taxable income based on the current income tax rate applicable for the year adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and any unused tax losses.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability.

Milton Corporation Limited (the parent entity) and its wholly-owned subsidiaries have formed an income tax consolidated group. Each entity in the group recognises its own current and deferred tax, except for any deferred tax assets arising from unused tax losses from subsidiaries, which are immediately assumed by the parent entity. The current tax liability of each group entity is subsequently assumed by the parent entity. There is no tax funding agreement between Milton Corporation Limited and its subsidiaries.

Deferred tax balances attributable to revaluation amounts are recognised directly in equity through the asset revaluation reserve.

#### e. Offsetting deferred tax balances:

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities.

Deferred tax assets from realised capital losses are offset against deferred tax liabilities from unrealised capital gains.

Deferred tax liabilities have been recognised for capital gains tax on the unrealised gains in the investment portfolio at current tax rates. As Milton does not intend to dispose of the investment portfolio this tax may not be payable at the amount disclosed in Note 2d above. Any tax liability that may arise on disposal of investments is subject to tax legislation relating to the treatment of capital gains and the applicable tax rate at the time of disposal.

# Notes to the Consolidated Financial Statements

## continued

Deferred tax assets relating to carried forward capital losses have been recognised based on current tax rates. Utilisation of the tax losses requires the realisation of capital gains in subsequent years and the ability to satisfy certain tests at the time the losses are recouped. The deferred tax assets related to carried forward capital losses have been offset against the related deferred tax liabilities as disclosed in Note 2d.

### 3. Earnings Per Share

	<b>2019</b>	<b>2018</b>
	Cents	Cents
Basic earnings per share	<b>22.19</b>	19.80
	\$'000	\$'000
Profit attributable to shareholders of the parent entity	<b>147,652</b>	130,007
	No. of Shares	No. of Shares
Weighted average number of ordinary shares used in the calculation of basic earnings per share	<b>665,320,270</b>	656,714,660

Diluted earnings per share and basic earnings per share are the same because there are no potential dilutive ordinary shares.

### 4. Dividends Paid

	<b>2019</b>	<b>2018</b>
	\$'000	\$'000
<b>a. Recognised in the current year</b>		
An ordinary final dividend of 10.2 cents per share in respect of the 2018 financial year paid on 4 September 2018 (2018: Ordinary final dividend of 10 cents per share paid on 5 September 2017)	<b>67,133</b>	65,196
An ordinary interim dividend of 9.0 cents per share paid on 5 March 2019 (2018: 8.8 cents per share paid on 1 March 2018)	<b>59,844</b>	57,833
A special dividend of 2.5 cents per share paid on 30 April 2019 (2018: No special dividend paid)	<b>16,725</b>	–
	<b>143,702</b>	123,029
Dividends paid in cash	<b>133,073</b>	113,590
Dividends reinvested in shares	<b>10,629</b>	9,439
	<b>143,702</b>	123,029

# Notes to the Consolidated Financial Statements

continued

	2019 \$'000	2018 \$'000
<b>b. Not recognised in the current year</b>		
Since the end of the financial year, the directors declared an ordinary final dividend in respect of the 2019 year of 10.4 cents per share payable on 3 September 2019 (2018: ordinary final dividend of 10.2 cents per share per share paid on 4 September 2018)	<b>69,572</b>	67,133
<b>5. Dividend Franking Account</b>		
	2019 \$'000	2018 \$'000
The amount of franking credits available to shareholders for the subsequent financial year, adjusted for franking credits that will arise from the payment of the current tax liability	<b>128,692</b>	125,101
Subsequent to year end, the franking account will be reduced by the proposed final dividend to be paid on 3 September 2019 (2018: final dividend paid on 4 September 2018)	<b>(29,817)</b>	(28,771)
	<b>98,875</b>	96,330
The franking account balance would allow Milton to frank additional dividend payments up to an amount of \$230,709,861 (2018: \$224,770,224) which represents 34 cents per share (2018: 34 cents per share).		
<b>6. Listed Investment Company capital gains account</b>		
	2019 \$'000	2018 \$'000
Balance of the Listed Investment Company (LIC) capital gain account available to shareholders for the subsequent financial year	<b>1,481</b>	1,352
Distributed LIC capital gains may entitle certain shareholders to a special deduction in their income tax return. LIC capital gains available for distribution are dependent upon the disposal of investment portfolio holdings which qualify for LIC capital gains and the receipt of LIC capital gain distributions.		



# Notes to the Consolidated Financial Statements

## continued

### Assets

#### 7. Investment in equity instruments

Milton is predominantly a long term investor in companies and trusts listed on the Australian Securities Exchange.

	2019	2018
	\$'000	\$'000
<b>Investments – non-current</b>		
Quoted investments – at fair value	3,140,850	2,931,529
Unquoted investments – at fair value	386	350
	<b>3,141,236</b>	2,931,879
<b>a. Included in quoted investments are:</b>		
Shares in other corporations	2,927,525	2,763,344
Stapled securities in other corporations	213,325	146,096
Units in trusts	–	22,089
	<b>3,140,850</b>	2,931,529
<b>b. Included in unquoted investments are:</b>		
Units in trusts	386	350

Investments are recognised initially at cost and Milton has elected to present subsequent changes in fair value of equity instruments in other comprehensive income through the asset revaluation reserve after deducting a provision for the potential deferred capital gains tax liability as these investments are long term holdings of equity instruments.

Listed investments are valued continuously at fair value, which is determined by the unadjusted last-sale price quoted on the Australian Securities Exchange at the measurement date. Use of unadjusted last sale price in an active market such as the Australian Securities Exchange falls within the Level 1 fair value hierarchy of measuring fair value under AASB 13.

	2019	2018
	\$'000	\$'000
<b>c. Investments disposed of during the year</b>		
The disposals occurred in the normal course of Milton's operations as a listed investment company or as a result of takeovers or mergers.		
<b>Fair value at disposal date</b>		
Equity investments	44,168	59,719
<b>Gain (Loss) on disposal after tax</b>		
Equity investments	14,497	(7,894)

When an investment is disposed, the cumulative gain or loss, net of tax thereon, is transferred from the asset revaluation reserve to the capital profits reserve as disclosed in Note 12.

# Notes to the Consolidated Financial Statements

## continued

### 8. Investment in joint venture entities

Milton has a long history of investing in property development joint ventures. Wholly owned subsidiaries of Milton have investments in separate joint venture entities that have non-controlling interests in three property development joint venture partnerships.

	2019	2018
	\$'000	\$'000
<b>a. Contribution from joint venture entities</b>		
Milton has interests in the following joint venture entities:		
33.33% interest in the Ellenbrook Syndicate Joint Venture contribution to operating profit before tax (2018: 33.33%)	1,561	808
23.33% interest in The Mews Joint Venture contribution to operating profit before tax (2018: 23.33%)	74	113
50% interest in the LWP Huntlee Syndicate No 2 Joint Venture (2018: 50%)	(131)	(533)
<b>Share of net profits of joint ventures</b>	<b>1,504</b>	<b>388</b>
<b>b. Consolidated interest in the assets and liabilities of the joint venture entities</b>		
Current assets	14,741	16,984
Non-current assets	19,968	17,055
Current liabilities	(3,333)	(2,906)
Non-current liabilities	(7,708)	(9,201)
	<b>23,668</b>	<b>21,932</b>
Provision for diminution in value	(543)	(543)
<b>Net assets</b>	<b>23,125</b>	<b>21,389</b>

Under AASB 11 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures based on rights and obligations arising from the joint arrangement rather than the legal structure of the joint arrangement.

Each joint venture partnership agreement provides that partners have rights to the net assets of the partnership. Accordingly, Milton has assessed the nature of its joint arrangements and determined that all current interests are joint ventures and thus accounted for using the 'Equity Method'.

Under the 'Equity Method', Milton's investments in joint ventures are valued initially at cost and periodically adjusted for changes in value due to Milton's share in the joint ventures' income or losses, distributions and any call payments.

# Notes to the Consolidated Financial Statements

## continued

### c. Contingencies and capital commitments

#### i) Guarantee facility by parent company to support prepayments of joint venture

\$11 million guarantee facility provided by Milton to support prepayments received by a joint venture in which LWP Syndicate No 2 has a 23.75% interest was cancelled during the year and hence no contingent liability remaining as at 30 June 2019 (30 June 2018: \$11 million).

#### ii) Interest servicing guarantee facility by parent company

Milton agreed to provide an interest servicing guarantee facility capped at a total of \$10 million to cover interest outstanding on a loan obtained by a joint venture in which LWP Huntlee Syndicate No 2 has a 23.75% interest. The guarantee is for a period of four years commencing from 12 March 2019; and Milton's maximum liability will reduce to \$3.66 million at the end of eighth quarter by the amount of interest paid by Huntlee. At the end of each of the ninth to sixteenth quarters, Milton's maximum liability will reduce by the amount (if any) of interest paid by Milton.

This facility, which is on commercial terms, is secured by a second ranking mortgage over the real property of the joint venture as well as guarantees provided by other related entities of the joint venture. At 30 June 2019, Milton's maximum liability amounted to \$10 million (30 June 2018: \$nil).

Other than the above, the directors are not aware of any material contingent liabilities, contingent assets or capital commitments as at 30 June 2019.

## 9. Cash

	2019	2018
	\$'000	\$'000
Cash at bank	3,612	6,092
Deposits at call	24,694	21,723
Term deposits	82,000	104,000
	<b>110,306</b>	<b>131,815</b>

The weighted average interest rate for cash and deposits at call as at 30 June 2019 is 1.4% p.a. (2018: 1.7% p.a.). Term deposits have an average maturity date of September 2019 (2018: August 2018) and an average interest rate of 2.1% (2018: 2.6% p.a.).

## 10. Receivables

	2019	2018
	\$'000	\$'000
<b>a. Receivables – current</b>		
Dividends receivable	14,822	24,729
Interest receivable	344	525
Senior staff share plan loans (refer note 18b)	–	2,557
Sundry debtors	21	18
	<b>15,187</b>	<b>27,829</b>
<b>b. Receivables – non-current</b>		
Senior staff share plan loans (refer note 18b)	3,431	2,605

### c. Terms and conditions

Sundry debtors are due within 30 days and no interest is charged.

# Notes to the Consolidated Financial Statements

## continued

### Capital Management

Milton may offer shareholders the opportunity to increase their holdings by participation in the Share Purchase Plan and in the Dividend Reinvestment Plan. Milton may also increase its capital through renounceable rights issues and acquisition of investment companies with the consideration being the issue of Milton shares.

#### 11. Share capital

All capital consists of fully paid ordinary shares which are listed on the ASX and carry one vote per share and the right to receive dividends.

Movement in share capital	2019	2019	2018	2018
	No. of Shares	\$'000	No. of Shares	\$'000
Opening balance	658,170,815	1,582,431	651,963,627	1,553,896
Acquisition of unlisted investment companies	8,444,554	40,060	4,114,776	19,117
Dividend Reinvestment Plan <sup>(1)</sup>	2,347,723	10,627	2,092,412	9,437
Less: Transaction costs (net of tax)	–	(63)	–	(19)
Closing balance	668,963,092	1,633,055	658,170,815	1,582,431

1 Milton's Dividend Reinvestment Plan (DRP) offers shareholders the option to reinvest all or part of their dividend in new ordinary shares. In the 2019 financial year, Milton issued 1,188,729 new shares in September 2018 and 1,158,994 new shares in March 2019 under the DRP (2018: 1,113,757 issued in September 2017 and 978,655 issued in March 2018).

#### 12. Reserves

##### Nature and purpose of reserves

Changes in fair value of investments are presented in other comprehensive income through the asset revaluation reserve as referred to in Note 7. Upon disposal of investments, the net gain or loss is transferred from the asset revaluation reserve to the capital profits reserve.

	2019	2018
	\$'000	\$'000
<b>a. Asset revaluation reserve</b>		
Opening balance	898,111	794,453
Revaluation of investments net of provision for tax	85,542	95,764
Net realised (gains) losses	(14,497)	7,894
	969,156	898,111
<b>b. Capital profits reserve</b>		
Opening balance	51,651	59,545
Net realised gains (losses)	14,497	(7,894)
	66,148	51,651

# Notes to the Consolidated Financial Statements

## continued

### Risk

This section of the notes discusses Milton's exposure to various risks and shows how these could affect Milton's financial position and performance.

#### 13. Critical accounting estimates, judgements and assumptions

Judgements, estimates and assumptions are required to prepare financial statements.

Apart from the items mentioned below, there are no key assumptions or sources of estimation uncertainty that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

- i) Deferred tax liabilities from unrealised capital gains are offset against deferred tax assets from realised capital losses as disclosed in Note 2e.
- ii) Classification of joint arrangements as joint ventures as disclosed in Note 8.

#### 14. Management of financial risk

The risks associated with the financial instruments, such as investments and cash, include credit, market and liquidity risks which could affect Milton's future financial performance.

The Board has approved policies and procedures to manage these risks. The effectiveness of these policies and procedures is continually reviewed by management and annually by the Audit & Risk Committee.

##### a. Credit risk exposures

Milton's principal credit risk exposures arise from the investment in liquid assets, such as cash, bank term deposits and income receivable.

The risk that financial loss will occur because a counterparty to a financial instrument fails to discharge an obligation is known as credit risk. The credit risk on Milton's financial assets, excluding investments, is the carrying amount of those assets.

Individual bank limits have been approved by the board for the investment of cash.

Income receivable comprises accrued interest and dividends and distributions which were brought to account on the date the shares or units traded ex-dividend.

There are no financial instruments overdue.

All financial assets and their recoverability are continuously monitored by management and reviewed by the board on a quarterly basis.

##### b. Market risk

Market risk is the risk that changes in market prices will affect the fair value of the financial instrument. The fair value of the quoted investments is determined by the unadjusted last sale price quoted on the Australian Securities Exchange at the measurement date.

Milton is exposed to market risk through the movement of the security prices of the companies and trusts in which it is invested.

The market value of individual companies fluctuates daily and the fair value of the portfolio changes continuously, with this change in the fair value recognised through the asset revaluation reserve.

# Notes to the Consolidated Financial Statements

## continued

Investments represent 95% (2018: 94%) of total assets. A 5% movement in the market value of investments in each of the companies and trusts within the portfolio would result in a 4.8% (2018: 4.7%) movement in the net assets before provision for tax on unrealised capital gains at 30 June 2019. The net asset backing before provision for tax on unrealised capital gains would move by 23 cents per share at 30 June 2019 (2018: 22 cents at 30 June 2018).

Milton's management continuously monitors the performance of the companies within its portfolio and makes portfolio recommendations which are considered by the Investment Committee. The Milton board reviews the portfolio on a quarterly basis.

Milton is not directly exposed to foreign currency risk as all its investments are quoted in Australian dollars.

The fair value of Milton's other financial instruments are unlikely to be materially affected by a movement in interest rates as they generally have short dated maturities and variable interest rates.

### c. Liquidity risk

Liquidity risk is the risk that Milton is unable to meet its financial obligations as they fall due.

Milton manages liquidity risk by monitoring forecast and actual cashflows.

## 15. Capital risk management

The parent entity invests its equity in a diversified portfolio of assets that generates a growing income stream for distribution to shareholders in the form of fully franked dividends.

The capital base is managed to ensure there are funds available for investment as opportunities arise. Capital may be increased through the issue of shares under the Share Purchase Plan and the Dividend Reinvestment Plan. Shares may also be issued through renounceable rights issues and as consideration for acquisition of other investment companies.

# Notes to the Consolidated Financial Statements

## continued

### Group Structure

#### 16. Subsidiaries

Investments in subsidiaries are carried at net asset value which approximates fair value of the controlled entities.

Income from dividends is brought to account when they are declared.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies.

##### a. Basis of Consolidation

The consolidated financial statements include the financial statements of Milton being the parent entity and its subsidiaries. The balances and effects of transactions between subsidiaries included in the consolidated financial statements have been eliminated in full.

Where entities have come under the control of the parent entity during the year, their operating results have been included in the group from the date control was obtained. Entities cease to be consolidated from the date on which control is transferred out of the group and the consolidated financial statements include the result for the part of the reporting period during which the parent entity had control.

##### b. Milton Corporation Limited's subsidiaries

The following subsidiaries have been included in the consolidated accounts. The parent entity and all subsidiaries are incorporated in Australia:

Percentage of Interest held	2019 %	2018 %
85 Spring Street Properties Pty Ltd	100	100
Chatham Investment Co. Pty Limited	100	100
Incorporated Nominees Pty Limited	100	100
Milhunt Pty Limited	100	100
ACN007531240 Pty Limited	100	–
Kembar Pty Limited	100	–

##### c. Acquisition of subsidiaries

During the year ended 30 June 2019, Milton acquired 100% of the shares of two unlisted investment companies with a total fair value of \$40,059,628. New Milton shares were issued as consideration.

Acquisition of ACN007531240 Pty Ltd completed on 17 August 2018:

- 5,575,148 new Milton shares issued as consideration with a fair value of \$26,677,282.

Acquisition of Kembar Pty Ltd completed on 28 February 2019:

- 2,869,406 new Milton shares issued as consideration with a fair value of \$13,382,346.

(2018: An unlisted investment company acquired in August 2017 for a consideration of 4,114,776 new Milton shares with a fair value of \$19,117,239).

##### d. Business Combinations

The acquisition method of accounting has been used to account for all business combinations. The business combinations have been accounted from the date Milton attained control of the subsidiaries. The considerations transferred for the acquisitions comprise the fair values of the identifiable assets transferred and the liabilities assumed.

Costs related to the acquisitions, other than those associated with the issue of equity securities, are expensed to the consolidated income statement as incurred.

# Notes to the Consolidated Financial Statements

## continued

### Other Information

#### 17. Related party transactions

	2019	2018
	\$'000	\$'000
<b>a. Directors and Key Management Personnel compensation</b>		
Short-term benefits	1,436	1,526
Other long-term benefits	227	112
Post-employment benefits	118	110
Share-based payments	88	164
	<b>1,869</b>	1,912

#### b. Shareholdings of non-executive directors and their related parties – number of shares held

Non-executive directors and their related parties held 5.6% (2018: 6.1%) of the voting power of Milton as at year end. All shares acquired by non-executive directors and their related parties during the year were purchased on an arm's length basis. Movements in the number of shares held are given below. There were no amounts outstanding from or due to any non-executive director or their related parties as at 30 June 2019.

	2019	2018
	No of shares	No of shares
Number of shares at beginning of the year	40,387,579	75,090,508
Acquired during the year	10,000	12,000
Disposed of during the year	(3,000,000)	(5,192,116)
Retiring director holdings	–	(29,522,813)
<b>Number of shares held at end of year</b>	<b>37,397,579</b>	40,387,579

#### c. Loans to key management personnel and their related parties

Details regarding loans outstanding at the reporting date to key management are as shown below. No loans were granted to related parties of any key management personnel.

	2019	2018
	\$	\$
Balance at beginning of the year	3,119,563	2,901,110
Loans advanced	1,049,175	376,779
Loans repaid	(2,601,239)	(158,326)
<b>Balance at end of the year</b>	<b>1,567,499</b>	3,119,563
Notional interest	87,961	164,039

Notional interest is based on the applicable FBT benchmark interest rate for the year which averaged 5.24% (2018: 5.23%).

The loans are advanced to key management personnel in accordance with the Senior Staff Share Plan (SSSP) as disclosed in Note 18b.



# Notes to the Consolidated Financial Statements

## continued

### d. Other related party transactions

All directors have entered into the Deed of Indemnity, Insurance and Access that was approved at the Annual General Meeting held on 10 October 2000. Milton has a Remuneration and Retirement Benefits Deed with Mr R.D. Millner and Dr I.A. Pollard. During the 30 June 2004 year, Milton and the directors varied the Remuneration and Retirement Benefits Deed, whereby the maximum retirement benefit payable to a non-executive director on retirement will be the provision for the director as at 30 June 2003. Apart from the details disclosed in this note no director has entered into a material contract with the parent entity or Milton since the end of the previous financial year and there were no material contracts involving directors' interests subsisting at the end of the year.

	2019	2018
	\$	\$
<b>e. Transactions with subsidiaries</b>		
Dividends paid to parent	–	282,758
	–	282,758

### f. Loans to and from subsidiaries

Loans have been made between the parent entity and wholly owned subsidiaries for capital transactions. The loans between the parent and its subsidiaries have no fixed date of repayment and are non-interest bearing.

	2019	2018
	\$	\$
Amounts owed by subsidiaries at beginning of the year	27,034,039	28,312,165
Loans advanced from subsidiaries	(43,002,055)	(3,263,224)
Loan advanced to subsidiaries	3,008,513	1,985,098
<b>Amounts owed (to) by subsidiaries at end of the year</b>	<b>(12,959,503)</b>	<b>27,034,039</b>

### g. Other arrangement with non-executive director

There were no existing or new arrangements with non-executive directors during the year ended 30 June 2019 (2018: Mr J.F. Church, who was a non-executive director until October 2017, rented office space from Milton at commercial rates from 1 July 2017 to 31 December 2017 and rent received by Milton amounted to \$6,786.)

## 18. Share based payments

Under the Employee Share Plan, shares are acquired for employees as part of their remuneration and the cost of the shares is recorded under employment costs.

Under the Senior Staff Share Plan, shares are acquired for eligible employees as part of their remuneration and held on their behalf by the trustee of the Plan. The purchase of the Plan Shares is financed by a loan from Milton.

# Notes to the Consolidated Financial Statements

## continued

### a. Employee Share Plan

The Employee Share Plan ("ESP") is available to all eligible employees to acquire ordinary shares in Milton in lieu of a cash bonus of up to \$1,000 per year as part of the employee's remuneration. The transaction and administration costs of acquiring the shares and administering the plan are paid by Milton.

During the year 422 shares (2018:216 shares) were acquired by Milton on behalf of eligible employees under the ESP at a cost of \$2,084 (2018: \$1,039) with a total market value at 30 June 2019 of \$1,988. Any shares acquired cannot be disposed of or transferred until the earlier of 3 years from the date of issue or acquisition or on the date that the employee's employment ceases with Milton.

### b. Senior Staff Share Plan

The Senior Staff Share Plan ("SSSP") was approved by shareholders at Milton's Annual General Meeting on 9 October 2001. Eligible employees are given the opportunity to apply for Plan Shares in Milton which are subscribed for or acquired and held on their behalf by the trustee of the plan. The purchase of these Plan Shares is financed by an interest-free limited recourse loan from Milton with recourse only to Plan Shares. The loan will be repaid partially from any dividends received. Milton administers the SSSP and meets the transactional and administration costs.

During the year 310,000 shares (2018: 160,000 shares) were acquired by the trustee of the plan on behalf of eligible employees under the SSSP at a cost of \$1,445,530 (2018: \$708,232). The loans to eligible employees are as disclosed in note 10b. The shares acquired by the trustee during the year had a market value of \$1,460,100 at \$4.71 per share as at 30 June 2019.

Any shares acquired are held in the name of the trustee and classified as Restricted Shares which cannot become Unrestricted Shares until the earlier of 3 years from the date of issue to the trustee or acquisition by the trustee or on the date that the employee's employment ceases with Milton. The trustee may transfer Unrestricted Shares to the participant provided that any outstanding loan has been repaid in full.

## 19. Auditors Remuneration

	2019	2018
	\$'000	\$'000
Auditors of the company		
Audit and review services	115	113
Related practice of the auditor		
Agreed upon procedures	43	15
Other services	9	-
	<b>167</b>	<b>128</b>

# Notes to the Consolidated Financial Statements

## continued

### 20. Parent entity disclosures

In accordance with the *Corporations Amendment (Corporate Reporting Reform) Act 2010* and the *Corporations Act 2001* the following summarised parent entity information is set out below.

As at, and throughout, the financial year ended 30 June 2019 the parent entity is Milton Corporation Limited.

	<b>2019</b>	<b>2018</b>
	\$'000	\$'000
<b>Profit of the parent entity</b>		
Profit for the year	<b>146,560</b>	129,734
Total comprehensive income for the year	<b>232,741</b>	225,770
<b>Financial position of the parent entity as at 30 June</b>		
Current assets	<b>126,015</b>	186,802
Total assets	<b>3,309,553</b>	3,119,111
Current liabilities	<b>(1,251)</b>	(1,616)
Total liabilities	<b>(434,107)</b>	(383,781)
Net assets	<b>2,875,446</b>	2,735,330
<b>Total equity of the parent entity comprising</b>		
Issued capital	<b>1,633,055</b>	1,582,431
Capital profits reserves	<b>74,733</b>	60,229
Asset revaluation reserve	<b>1,024,131</b>	952,001
Retained profits	<b>143,527</b>	140,669
<b>Total equity attributable to shareholders of the parent entity</b>	<b>2,875,446</b>	2,735,330

# Notes to the Consolidated Financial Statements

## continued

### 21. Summary of other accounting policies

#### a. Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, Australian accounting interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the *Corporations Act 2001* and complies with International Financial Reporting Standards (IFRS).

Accounting policies adopted in the preparation of these financial statements have been consistently applied to all the years presented, unless otherwise stated. The financial statements include the consolidated entity ("Milton") consisting of Milton Corporation Limited and its subsidiaries. Milton is a 'for-profit' entity.

These financial statements have been prepared on an accruals basis and are based on the historical cost basis except as modified by the revaluation of certain financial assets and liabilities measured at fair value.

##### *New and amended standards adopted:*

AASB 9 *Financial Instruments* Standard which applies to annual reporting periods commencing on or after 1 January 2018 was early adopted by Milton in the 2010 financial year.

AASB 15 *Revenue from Contracts with Customers* is applicable to annual reporting periods beginning on or after 1 January 2018 and does not have a material impact on Milton's financial statements.

##### *New and amended standards not adopted:*

AASB 16 *Leases* is applicable to annual reporting periods beginning on or after 1 January 2019 and replaces AASB 117 *Leases*. For lessees it will eliminate the classifications of operating leases and finance leases. Milton does not expect this standard to have a material impact on Milton's 2020 financial statements.

No other new accounting standards and interpretations that are available for early adoption but not yet adopted at 30 June 2019, will result in any material change in relation to the financial statements of Milton.

#### b. Rounding of amounts

Unless otherwise stated under the option available in ASIC Corporations (Rounding in Financial/ Directors' Reports) Instrument 2016/191, the financial statements are presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000).

#### c. Operating segments

The consolidated entity operates in Australia and engages in investment as its principal activity. As such Milton considers the business to have a single operating segment.

# Notes to the Consolidated Financial Statements

## continued

### 22. Cash flow information

	2019	2018
	\$'000	\$'000
<b>a. Reconciliation of net profit to net cash provided by operating activities</b>		
Net profit	147,652	130,007
Share of net profits of joint ventures – equity accounted	(1,504)	(388)
Distributions received from joint venture entities	2,500	3,086
Acquisition related costs of subsidiaries	124	90
Depreciation of non-current assets	35	34
Decrease (Increase) in receivables	10,176	(925)
(Decrease) increase in payables and provisions	(287)	(111)
Increase in income taxes payable	405	1,468
Decrease in provisions	(172)	–
<b>Net cash provided by operating activities</b>	<b>158,929</b>	<b>133,261</b>

### b. Non-cash financing and investing activities

As described in Note 16c, Milton acquired two unlisted investment companies through the issue of 8,444,554 new Milton shares with a total fair value of \$40,059,629 (2018: Milton acquired unlisted investment company through the issue of 4,114,776 new Milton shares with a fair value of \$19,117,239).

### 23. Contingent liabilities

Apart from the contingent liability relating to the interest servicing guarantee facility of \$10 million provided on behalf of LWP Huntlee Syndicate No.2 joint venture as disclosed in Note 8c (ii), the directors are not aware of any other material contingent liabilities.

### 24. Events subsequent to reporting date

Since the end of the financial year, the directors declared a fully franked ordinary final dividend of 10.4 cents per share payable on 3 September 2019.

# Notes to the Consolidated Financial Statements

## continued

### Holdings

#### 25. Holdings at Fair Value through Other Comprehensive Income at 30 June 2019

The following holdings are valued at fair value through Other Comprehensive Income.

Investments in equity instruments	2019		2018	
	Holding Shares	Market value \$'000	Holding Shares	Market value \$'000
Adelaide Brighton Ltd.	2,978,554	12,033	2,947,554	20,486
AGL Energy Ltd.	3,570,141	71,439	3,060,000	68,789
ALS Ltd.	6,079,431	44,623	6,079,431	45,839
Altium Ltd.	178,500	6,105	–	–
Amcor Ltd.	1,566,512	25,362	1,321,512	19,043
A.P. Eagers Ltd.	5,833,107	57,164	5,833,107	49,756
APA Group	2,077,766	22,440	2,005,833	19,757
ARB Corporation Ltd.	911,065	16,581	911,065	20,800
Argo Investments Ltd.	1,880,841	15,272	1,809,575	14,422
ASX Ltd.	548,965	45,218	548,965	35,348
AUB Group Ltd.	1,292,991	13,499	1,049,153	14,247
Australia & New Zealand Banking Group Ltd.				
– ordinary shares	3,452,751	97,402	3,408,473	96,255
– capital notes 2	–	–	2,000	201
Australian Foundation Investment Company Ltd.	922,398	5,765	762,192	4,695
Auswide Bank Ltd.	228,557	1,172	433,570	2,441
Automotive Holdings Group Ltd.	3,466,366	9,706	3,466,366	9,879
Bank of Queensland Ltd.	7,306,078	69,627	7,306,078	74,449
Bendigo & Adelaide Bank Ltd.	5,709,708	66,118	5,709,708	61,893
BHP Billiton Ltd.	4,098,921	168,712	3,650,921	123,803
BKI Investment Company Ltd.	1,223,866	1,921	1,223,866	1,866
Blackmores Ltd.	368,664	33,147	367,014	52,299
Boral Ltd.	2,089,293	10,697	2,089,293	13,643
Brambles Ltd.	1,431,966	18,444	1,431,966	12,716
Brickworks Ltd.	3,234,567	52,691	3,234,567	50,589
Caltex Australia Ltd.	394,000	9,752	394,000	12,821
Carlton Investments Ltd.	356,778	11,274	356,778	11,802
Carsales.Com Ltd.	1,042,000	14,098	995,000	15,044
Challenger Ltd.	–	–	544,000	6,436
Charter Hall Group	2,126,000	23,025	1,751,000	11,417
Charter Hall Long WALE REIT	3,364,212	16,855	1,866,997	8,215
CIMIC Group Ltd.	791,239	35,424	791,239	33,469
Cleanaway Waste Management	5,500,000	12,815	–	–
Coca-Cola Amatil Ltd.	1,061,584	10,849	1,011,434	9,305
Cochlear Ltd.	33,800	6,991	33,800	6,766
Coles Group Ltd.	2,877,375	38,413	–	–
Commonwealth Bank of Australia	3,140,470	259,968	3,118,305	227,231
Computershare Ltd.	23,000	373	–	–
CSL Ltd.	601,198	129,258	592,198	114,069
Diversified United Investment Ltd.	130,607	569	–	–
Dulux Group Ltd.	1,655,184	15,426	1,655,184	12,662
EQT Holdings Ltd.	500,697	14,821	500,697	10,414
Event Hospitality & Entertainment Ltd.	1,010,921	12,637	1,010,921	13,536
Finbar Group Ltd.	3,642,464	3,060	3,642,464	3,497
Flight Centre Travel Group Ltd.	80,300	3,336	80,300	5,111

	2019		2018	
	Holding	Market value	Holding	Market value
Investments in equity instruments	Shares	\$'000	Shares	\$'000
Goodman Group	1,475,376	22,175	1,475,376	14,193
GrainCorp Ltd.	–	–	362,290	2,782
Gresham Private Equity Co–Investment Fund	100,000	23	100,000	18
Growthpoint Properties Australia	–	–	403,010	1,455
Insurance Australia Group Ltd.	5,896,948	48,709	5,847,282	49,877
Incitec Pivot Ltd.	1,663,689	5,673	1,610,689	5,847
InvoCare Ltd.	1,950,914	31,195	1,950,914	26,806
IOOF Holdings Ltd.	2,009,086	10,387	2,009,086	18,062
Janus Henderson Group PLC	229,500	6,952	217,500	9,057
Lendlease Group	972,539	12,643	969,539	19,207
Lindsay Australia Ltd.	13,341,599	4,603	12,843,330	4,880
Link Administration Holdings Ltd.	27,907	140	–	–
Macquarie Group Ltd.	744,490	93,352	659,990	81,608
McMillan Shakespeare Ltd.	662,538	8,090	662,538	10,601
MyState Ltd.	–	–	444,992	2,229
National Australia Bank Ltd.	4,868,831	130,095	4,821,472	132,157
New Hope Corporation Ltd.	1,290,107	3,496	1,290,107	3,857
Orica Ltd.	188,987	3,831	188,987	3,355
Origin Energy Ltd.	190,301	1,391	–	–
Orora Ltd.	–	–	1,094,512	3,907
Pendal Group Ltd.	1,546,643	11,058	1,046,643	10,372
Perpetual Ltd.	1,231,982	52,039	1,231,982	51,250
Premier Investments Ltd.	590,321	8,955	590,321	9,965
QBE Insurance Group Ltd.	1,949,375	23,061	1,949,375	18,987
Qube Holdings Ltd.	6,113,243	18,585	5,994,164	14,446
Ramsay Health Care Ltd.	225,283	16,274	225,283	12,161
REA Group Ltd.	8,769	842	–	–
Reece Ltd.	1,167,950	11,399	1,167,950	14,775
Regis Healthcare Ltd.	1,856,076	4,881	1,856,076	6,088
Rio Tinto Ltd.	669,120	69,428	583,618	48,697
Scentre Group	5,079,474	19,505	2,669,474	11,719
Schaffer Corporation Ltd.	68,999	941	68,999	914
Seven Group Holdings Ltd.	–	–	7,000	556
– TELY54 preference shares	–	–	–	–
Sims Metal Management Ltd.	452,368	4,913	452,368	7,274
Sonic Healthcare Ltd.	710,707	19,260	659,425	16,176
Stockland Group	3,844,940	16,033	3,589,940	14,252
Suncorp Group Ltd.	3,314,232	44,643	3,314,232	48,355
Sydney Airport	3,184,629	25,605	2,944,629	21,084
Tank Stream Ventures	50,341	363	50,341	332
Technology One Ltd.	1,515,000	11,938	1,370,000	5,823
Telstra Corporation Ltd.	15,236,961	58,662	15,065,253	39,471
TPG Telecom Ltd.	3,148,725	20,278	3,530,984	18,255
Transurban Group	4,592,153	67,688	3,797,811	45,460
Treasury Wine Estates Ltd.	1,206,363	17,999	1,194,085	20,765
Unibail–Rodamco–Westfield	–	–	317,520	4,658
Vicinity Centres	–	–	6,168,335	15,976
Washington H. Soul Pattinson & Company Ltd.	9,174,640	201,750	9,174,640	189,823
Wesfarmers Ltd.	2,877,375	104,046	2,835,533	139,962
Westpac Banking Corporation	10,545,458	299,069	10,490,827	307,381
Whitefield Ltd.	149,373	726	–	–
Woodside Petroleum Ltd.	1,288,838	46,862	1,222,911	43,364
Woolworths Group	2,936,973	97,596	2,903,973	88,629
		3,141,236		2,931,879