

# **AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED**

**ABN 37 004 268 679**

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## **APPENDIX 4D STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016**

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### **CONTENTS**

- Results for announcement to the market
- Letter to Australian Securities Exchange
- Financial Statements
- Independent Audit Report

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# RESULTS FOR ANNOUNCEMENT TO THE MARKET

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The reporting period is the **half year ended 31 December 2016** with the prior corresponding period being the half year ended 31 December 2015.

## Results for announcement to the market

- Revenue from ordinary activities was \$24.8 million, down 3% from the prior corresponding period.
- Profit after tax was \$21.3 million, down 5% from the prior corresponding period.
- Total net profit for the period of \$21.3 million excludes net realised gains and losses which are transferred directly to the Asset Realisation Reserve under the accounting standards.
- This period special dividends of \$435,000 after tax were received (prior corresponding period \$163,700).
- Excluding special dividends received, profit after tax fell 6%\*.
- Earnings per share based on profit after tax were 17.3 cents, a decrease of 11% from the prior corresponding period. Excluding special dividends received, earnings per share fell 13%\* to 16.9\* cents. The weighted average number of ordinary shares for the period rose 7% to 123,473,815, after taking into account the shares issued in the dividend re-investment plan and reflecting the issue of 13,692,944 new ordinary shares in the one for eight renounceable rights issue in November 2015.
- The interim dividend for the half year is 15.5 cents per share (15.5 cents prior corresponding period) fully franked payable on 15 March 2017. The record date for determining entitlement to the interim dividend is 24 February 2017.
- The interim dividend will not include any Listed Investment Company capital gain dividend.
- The Company operates a Dividend Reinvestment Plan (“DRP”) under which shareholders may elect to have all or part of their dividend payment reinvested in new ordinary shares. Pricing of the new DRP shares will be at the volume weighted average selling price of shares traded on the Australian Securities Exchange in the five trading days commencing from the day the shares start trading on an ex dividend basis, without any discount. The last day for the receipt of an election notice for participation in the plan is 27 February 2017.
- The net tangible asset backing per share based on the market valuation of investments was \$8.34 at 31 December 2016, compared to \$7.83 at the end of the prior corresponding period, a rise of 6.5%. These calculations are after tax on net realised gains, before any future tax benefit of net realised losses, before estimated tax on net unrealised gains/losses, and before provision for the interim dividend.

\* Additional non IFRS information, not subject to external review.

**AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED**

ABN 37 004 268 679

LEVEL 20  
101 COLLINS STREET  
MELBOURNE VIC 3000  
AUSTRALIA

TEL (613) 9654 0499  
FAX (613) 9654 3499

13 February 2017

The General Manager  
Australian Securities Exchange  
P O Box H224  
Australia Square  
Sydney NSW 2000

Dear Sir,

**FINANCIAL REPORT AND DIVIDEND ANNOUNCEMENT**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2016**

The Directors make the following report concerning the company's performance and interim dividend:-

**Profit and Realised Capital Gains/Losses**

Profit after income tax for the half year ended 31 December 2016 was \$21,345,411 (previous corresponding period: \$22,466,154). The Profit includes special dividends received after tax of \$435,000 (previously: \$163,700).

Excluding special dividends Profit after tax fell 6.2%\*.

The fall in profit principally reflects a reduction in dividends received from the mining, energy and retail sectors, and the ANZ Bank.

Net realised losses on the investment portfolio after tax were \$2,689,267 (previous corresponding period gains of \$252,321), which under accounting standards are transferred directly to the Asset Realisation Reserve and are not included in Net Profit.

Operating expenses (excluding interest) for the half year were 0.05% of the average market value of the portfolio (previous corresponding period 0.05%).

**Earnings Per Share**

Earnings per share based on the weighted average number of shares on issue for the half year were 17.3 cents per share compared to 19.5 cents for the prior corresponding period. Excluding the special dividends, earnings per share fell 12.9% to 16.9 cents\*.

The weighted average number of ordinary shares for the period rose 7.3% to 123,473,815, after taking into account the shares issued in the dividend reinvestment plan and reflecting the issue of 13,692,944 new ordinary shares in the one for eight renounceable rights issue in November 2015.

\* Additional non IFRS information, not subject to external review.

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### **Dividends**

The Directors have declared an interim dividend of 15.5 cents per share fully franked to shareholders registered on 24 February 2017, to be paid on 15 March 2017. The comparable 2016 interim dividend was 15.5 cents per share fully franked.

### **LIC Capital Gains**

The interim dividend will not include any Listed Investment Company capital gain dividend.

### **Dividend Reinvestment Plan**

The Company operates a Dividend Reinvestment Plan ("DRP") under which shareholders may elect to have all or part of their dividend payment reinvested in new ordinary shares. Pricing of the new DRP shares will be at the volume weighted average selling price of shares traded on the Australian Securities Exchange in the five trading days beginning from the day the shares start trading on an ex dividend basis, without any discount. The last day for the receipt of an election notice for participation in the plan is 27 February 2017.

### **Asset Backing**

The net tangible asset backing per share based on the market valuation of investments was \$8.34 at 31 December 2016 and \$8.30 at 31 January 2017. These calculations are after tax on net realised gains, before any future tax benefit of net realised losses, before estimated tax on net unrealised gains/losses, and before provision for the interim dividend.

The Company is a long term investor and does not intend disposing of its total portfolio. If estimated tax on unrealised portfolio gains were to be deducted, the above figures would be \$7.29 at 31 December 2016 and \$7.26 at 31 January 2017.

### **Performance**

The Company's net asset backing accumulation performance for the six months to 31 December 2016 (assuming all dividends were reinvested) was a rise of 12.8%, compared to the rise of 10.6% in the S&P ASX 200 Accumulation index. The Company's returns are after tax and expenses and the impact of the Company's gearing for which no allowance is made in the index.

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**Investment Portfolio**

As at 31 December 2016 the twenty-five largest shareholdings of the Company, at market value, were:

<b>Company</b>	<b>Market Value \$'000</b>	<b>% of Market Value of Total Investments</b>
1. Commonwealth Bank Ltd	105,073	9.0%
2. Australian & New Zealand Banking Group Ltd	85,937	7.4%
3. Westpac Banking Corporation Ltd	81,500	7.0%
4. National Australia Bank Ltd	69,007	5.9%
5. Wesfarmers Ltd	58,996	5.1%
6. Diversified United Investment Ltd	50,544	4.4%
7. BHP Billiton Ltd	46,361	4.0%
8. CSL Ltd	45,184	3.9%
9. Rio Tinto Ltd	44,925	3.9%
10. Transurban Group Ltd	43,860	3.8%
11. Woodside Petroleum Ltd	38,950	3.4%
12. Telstra Corporation Ltd	30,600	2.6%
13. Woolworths Ltd	28,920	2.5%
14. Brambles Ltd	26,040	2.2%
15. AMP Ltd	22,680	2.0%
16. Sonic Healthcare Ltd	21,400	1.8%
17. Event Hospitality and Entertainment Ltd	20,655	1.8%
18. Ramsay Health Care Ltd	20,490	1.8%
19. Perpetual Ltd	19,504	1.7%
20. Suncorp Group Ltd	18,928	1.6%
21. Lend Lease Group	16,082	1.4%
22. Oil Search Ltd	15,774	1.3%
23. Sydney Airport	15,574	1.3%
24. Washington H Soul Pattinson	15,130	1.3%
25. Macquarie Atlas Roads Group	14,645	1.3%
	<hr/>	
	956,759	82.4%
	<hr/> <hr/>	

**\*Total Investments at Market Value, Short Term  
Receivables and Cash**

1,161,507

\*Note: At 31 December 2016 bank borrowings were \$130M, and cash and short term receivables (included in the above figures) were \$23M.

Yours faithfully,

A J Hancock  
Company Secretary

**AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED**  
**(ABN 37 004 268 697)**

**INTERIM FINANCIAL REPORT**  
**FOR THE SIX MONTHS ENDED 31 DECEMBER 2016**

# AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED

## *Directory*

### **Directors**

C B Goode AC - Chairman  
P J Wetherall  
J S Craig  
F S Grimwade

### **Company Secretary**

Andrew J Hancock FCA

### **Registered Office**

Level 20  
101 Collins Street  
Melbourne VIC 3000  
Tel: (613) 9654 0499  
Fax: (613) 9654 3499  
Email: [info@au.com.au](mailto:info@au.com.au)  
Website: [www.au.com.au](http://www.au.com.au)

### **Bankers**

National Australia Bank Limited

### **Auditors**

KPMG  
Chartered Accountants

### **Share Registry**

Link Market Services Limited  
Level 12, 680 George Street  
Sydney NSW 2000  
Locked Bag A14  
Sydney South NSW 1235

Tel: (+61) 1300 554 474  
Email: [registrars@linkmarketservices.com.au](mailto:registrars@linkmarketservices.com.au)  
Web: [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

### **Securities Exchange**

The Company is listed on the Australian Securities Exchange Ltd.  
ASX Code: AUI

**AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED**

***Interim Financial Report  
for the six months ended 31 December 2016***

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# AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED

## *Directors' Report*

The directors of Australian United Investment Company Limited present their Directors' report together with the financial report for the six months ended 31 December 2016 and the auditors' review report thereon.

### *Directors*

The directors of the Company at any time during or since the end of the half-year are:

<i>Name</i>	<i>Period of Directorship</i>
Charles Goode AC (Chairman)	Director since 1990
Peter Wetherall	Director since 2001
James Craig	Director since 2009
Fred Grimwade	Director since 2014

### *Review of Operations*

Profit after income tax was \$21,345,411 for the six months ended 31 December 2016 (previous corresponding period: \$22,466,154). Special dividends received during this period were \$435,000 (previous corresponding period: \$163,700).

Earnings per share based on profit after tax was 17.3 cents, a decrease of 11% from the prior corresponding period. Excluding special dividends received, earnings per share decreased 13% to 16.9 cents per share.

The weighted average number of ordinary shares for the period rose 7% to 123,473,815, after taking into account the shares issued in the dividend reinvestment plan and reflecting the issue of 13,692,944 new ordinary shares in the one for eight renounceable rights issue in November 2015.

Operating expenses (excluding finance expenses) were 0.05% of the average market value of the portfolio (previous corresponding period: 0.05%).

### *Dividends*

The board has declared an interim dividend of 15.5 cents per share fully franked (previous corresponding period: 15.5 cents per share fully franked).

### **Lead Auditor's Independence Declaration**

The lead auditor's independence declaration is set out on page 5 and forms part of the directors' report for the six months ended 31 December 2016.

Dated at Melbourne this 13<sup>th</sup> day of February 2017.

Signed in accordance with a resolution of the Directors, for and on behalf of the board.

Charles Goode  
*Director*



***Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001***

To: the directors of Australian United Investment Company Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2016 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

*KPMG*

KPMG

*Maria Trinci*

Maria Trinci

Partner

Melbourne

13 February 2017

**AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED**  
**Statement of Profit or Loss and Other Comprehensive Income**  
**for the six months ended 31 December 2016**

	Note	31 December 2016 \$	31 December 2015 \$
Revenue from investment portfolio		24,839,477	25,615,110
Administration and other expenses		(557,526)	(544,606)
Finance expenses		(2,592,497)	(2,554,530)
<b>Profit before income tax</b>		<b>21,689,454</b>	<b>22,515,974</b>
Income tax expense		(344,043)	(49,820)
<b>Profit after income tax</b>		<b>21,345,411</b>	<b>22,466,154</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Revaluation of investment portfolio for the period		96,852,050	(48,051,168)
Provision for tax (expense)/benefit on revaluation of investment portfolio for the period		(29,287,425)	14,386,410
<b>Other comprehensive loss net of income tax</b>		<b>67,564,625</b>	<b>(33,664,758)</b>
<b>Total comprehensive income / (loss)</b>		<b>88,910,036</b>	<b>(11,198,604)</b>
Basic and diluted earnings per share (cents)		17.3	19.5

The Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the Condensed Notes to the Financial Statements set out on pages 10 to 13.

# AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED

## *Balance Sheet* as at 31 December 2016

	Note	31 December 2016 \$	30 June 2016 \$
<b>Assets</b>			
Cash assets		21,462,747	18,325,528
Receivables		1,954,219	8,479,000
Current tax receivable		73,260	63,700
Other		86,739	164,710
<b>Total Current Assets</b>		<b>23,576,965</b>	<b>27,032,938</b>
Investment portfolio	7	1,138,090,133	1,028,911,871
<b>Total Non-Current Assets</b>		<b>1,138,090,133</b>	<b>1,028,911,871</b>
<b>Total Assets</b>		<b>1,161,667,098</b>	<b>1,055,944,809</b>
<b>Liabilities</b>			
Payables		163,018	168,592
Borrowings – interest bearing	9	20,118,016	-
<b>Total Current Liabilities</b>		<b>20,281,034</b>	<b>168,592</b>
Provision for long service leave		42,107	40,969
Borrowings – interest bearing	9	110,526,305	121,953,740
Deferred tax liability	8	129,822,263	100,203,735
<b>Total Non-Current Liabilities</b>		<b>240,390,675</b>	<b>222,198,444</b>
<b>Total Liabilities</b>		<b>260,671,709</b>	<b>222,367,036</b>
<b>Net Assets</b>		<b>900,995,389</b>	<b>833,577,773</b>
<b>Equity</b>			
Issued capital	6	439,257,464	437,926,192
Reserves		461,737,925	395,651,581
<b>Total Equity</b>		<b>900,995,389</b>	<b>833,577,773</b>

The Balance Sheet is to be read in conjunction with the Condensed Notes to the Financial Statements set out on pages 10 to 13.

**AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED**

**Statement of Changes in Equity  
for the six months ended 31 December 2016**

	Issued Capital \$	Revaluation Reserve \$	Realisation Reserve \$	Retained Earnings \$	Total \$
<b>As at 1 July 2015</b>	346,928,075	308,657,044	18,575,249	121,735,599	795,895,967
<b>Comprehensive Income</b>					
Revaluation of investment portfolio	-	(48,051,168)	-	-	(48,051,168)
Tax benefit on revaluation	-	14,386,410	-	-	14,386,410
Net realised gains and losses on investment portfolio	-	(360,459)	360,459	-	-
Tax expense on net realised gains and losses	-	108,138	(108,138)	-	-
Profit	-	-	-	22,466,154	22,466,154
	-	(33,917,079)	252,321	22,466,154	(11,198,604)
<b>Transactions with shareholders</b>					
Renounceable rights issue	88,785,907	-	-	-	88,785,907
Dividend reinvestment plan	1,242,851	-	-	-	1,242,851
Dividends paid	-	-	-	(20,234,127)	(20,234,127)
	90,028,758	-	-	(20,234,127)	69,794,631
<b>As at 31 December 2015</b>	436,956,833	274,739,965	18,827,570	123,967,626	854,491,994

	Issued Capital \$	Revaluation Reserve \$	Realisation Reserve \$	Retained Earnings \$	Total \$
<b>As at 1 July 2016</b>	437,926,192	253,183,931	15,734,562	126,733,088	833,577,773
<b>Comprehensive Income</b>					
Revaluation of investment portfolio	-	96,852,050	-	-	96,852,050
Tax expense on revaluation	-	(29,287,425)	-	-	(29,287,425)
Net realised gains and losses on investment portfolio	-	3,586,053	(3,586,053)	-	-
Tax benefit on net realised gains and losses	-	(896,786)	896,786	-	-
Profit	-	-	-	21,345,411	21,345,411
	-	70,253,892	(2,689,267)	21,345,411	88,910,036
<b>Transactions with shareholders</b>					
Dividend reinvestment plan	1,331,272	-	-	-	1,331,272
Dividends paid	-	-	-	(22,823,692)	(22,823,692)
	1,331,272	-	-	(22,823,692)	(21,492,420)
<b>As at 31 December 2016</b>	439,257,464	323,437,823	13,045,295	125,254,807	900,995,389

The Statement of Changes in Equity is to be read in conjunction with the Condensed Notes to the Financial Statements set out on pages 10 to 13.

**AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED**

**Statement of Cash Flows  
for the six months ended 31 December 2016**

	Note	31 December 2016 \$	31 December 2015 \$
<b>Cash flows from operating activities</b>			
Interest received		160,967	403,879
Dividends and trust distributions received		30,547,967	32,023,689
Option premium income received		1,108,542	105,190
Finance costs paid		(1,789,135)	(2,479,019)
Administration and other expenses paid		(596,772)	(526,563)
<b>Net cash flow from operating activities</b>		29,431,569	29,527,176
<b>Cash flows from investing activities</b>			
Proceeds from sale of investments		46,593,513	36,639,112
Purchases of investments		(59,395,444)	(88,476,437)
<b>Net cash flow from investing activities</b>		(12,801,931)	(51,837,325)
<b>Cash flows from financing activities</b>			
Proceeds from renounceable rights issue (net of costs)		-	88,785,907
Dividends paid net of dividend reinvestment plan		(21,492,419)	(18,991,273)
Proceeds from borrowings		8,000,000	2,000,000
<b>Net cash flow used in financing activities</b>		(13,492,419)	71,794,634
Net increase / (decrease) in cash held		3,137,219	49,484,485
Cash and cash equivalents at 1 July		18,325,528	9,914,149
<b>Cash and cash equivalents at 31 December</b>		21,462,747	59,398,634

The Statement of Cash Flows is to be read in conjunction with the Condensed Notes to the Financial Statements set out on pages 10 to 13.

# AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED

## **Condensed Notes to the Financial Statements for the six months ended 31 December 2016**

### 1. Reporting Entity

Australian United Investment Company Limited (the 'Company') is a for-profit company domiciled in Australia.

The annual financial report of the Company as at and for the year ended 30 June 2016 is available on request from the Company's office at Level 20, 101 Collins Street Melbourne Vic 3000 or at [www.aui.com.au](http://www.aui.com.au).

### 2. Statement of compliance

The interim financial report is a general purpose financial report which has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the Corporations Act 2001.

The interim financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the annual financial report of the Company at 30 June 2016.

This interim financial report was approved by the Board of Directors on 13 February 2017.

### 3. Significant Accounting Policies

The accounting policies applied by the Company in this interim financial report are the same as those applied by the Company in the financial report at 30 June 2016.

### 4. Earnings per share

	31 December 2016 Cents	31 December 2015 Cents
Basic and diluted earnings per share	17.3	19.5
Earnings per share excluding special dividends	16.9	19.4

There are no factors which cause diluted earnings per share to be different from basic earnings per share.

The basic earnings per share for the half-year is calculated on a weighted average number of ordinary shares of 123,473,815 (previous corresponding period: 115,101,466) after taking into account the shares issued in the dividend re-investment plan. In November 2015, the company issued 13,692,944 new ordinary shares in a one for eight renounceable rights issue.

# AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED

## *Notes to the Financial Statements for the six months ended 31 December 2016*

### 5. Dividends

	31 December 2016 \$	31 December 2015 \$
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Dividends recognised in the current year by the Company are:

Final fully franked dividend of 18.5 cents per share paid on 23 September 2016 (previous corresponding period: 18.5 cents per share fully franked)	22,823,692	20,234,127
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Subsequent to reporting date:

Since 31 December 2016, the directors have declared the following dividend payable on 15 March 2017:

Interim dividend of 15.5 cents per share fully franked (previous corresponding period: 15.5 cents per share fully franked)	19,151,386	16,977,601
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The financial effect of this dividend has not been brought to account in the interim financial report for the period ended 31 December 2016.

### 6. Issued capital

	31 December 2016 \$	30 June 2016 \$
123,557,331 ordinary fully paid shares (30 June 2016: 123,374,507)	439,257,465	437,926,192

Movements in issued capital:

Balance at beginning of the financial year	437,926,192	346,928,075
Shares issued		
- Dividend re-investment plan <sup>(1)</sup>	1,331,272	2,274,957
- Renounceable rights issue (net of costs) <sup>(2)</sup>	-	88,723,160
	439,257,464	437,926,192

(1) In respect of the final dividend paid in September 2016, 182,724 ordinary shares were issued at \$7.2857 each.

(2) In respect of the one for eight renounceable rights issue on 13 November 2015, 13,692,944 shares were issued at \$6.50 each under the ASX security code AUIN. These shares did not rank for the interim dividend paid on 17 March 2016 and thereafter rank *pari passu*.



# AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED

## *Notes to the Financial Statements for the six months ended 31 December 2016*

### 7. Net Fair Values of Financial Assets and Liabilities

#### *Valuation Approach*

Net fair values of financial assets and liabilities are determined by the Company on the following basis:

#### *Recognised Financial Instruments*

Listed securities included in "Investments" are readily traded on organised markets in a standardised form. The net fair value of listed securities is determined by valuing them at the last quoted market price as at balance date. In accordance with Australian Accounting Standards, this is considered "level 1" under the fair value measurement hierarchy, which is defined as quoted prices (unadjusted) in active markets for identical assets or liabilities.

For all other financial assets and liabilities, the carrying amount closely approximates its fair value.

### 8. Deferred Tax Assets and Liabilities

	31 December 2016 \$	30 June 2016 \$
Revaluation reserve – Provision for tax on unrealised gains on the equity investment portfolio	142,269,882	112,085,671
Tax effect of unfranked dividends receivable	-	73,484
Tax benefit of capital losses carried forward	(11,918,526)	(11,021,741)
Tax benefit of income tax losses carried forward	(529,093)	(933,679)
<b>Net deferred tax liabilities</b>	<b>129,822,263</b>	<b>100,203,735</b>

### 9. Borrowings

	31 December 2016 \$	30 June 2016 \$
<b>Current</b>		
Loan Facility – Secured	20,118,016	-
<b>Non-Current</b>		
Loan Facilities – Secured	110,526,305	121,953,740
	<b>130,644,321</b>	<b>121,953,740</b>

# AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED

## *Notes to the Financial Statements for the six months ended 31 December 2016*

### 9. Borrowings (cont.)

During the six months ended 31 December 2016, an additional \$8 million of borrowings were drawn down as follows:

Amount	Facility Maturity
\$8,000,000	30 October 2020

The total face value of the drawn facilities as at period end was \$130 million (30 June 2016: \$122 million). The liabilities are recorded at the face value of the amount drawn and accrued interest.

At 31 December 2016 the market value of investments secured against the loan facilities was \$481,497,750 (30 June 2016: \$428,991,750).

### 10. Segment Reporting

The Company's only segment of operation is as an investment company in Australia.

### 11. Contingent Liabilities and Capital Commitments

There were no contingent liabilities or capital commitments as at 31 December 2016.

### 12. Related Parties

All arrangements with related parties are consistent with those disclosed in the 30 June 2016 annual financial report.

### 13. Events Subsequent to Balance Date

There has not arisen in the interval between the end of the half-year and the date of this report any items, transactions or events of a material and unusual nature, likely, in the opinion of the directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial periods.

# AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED

## *Directors' Declaration*

In the opinion of the directors of Australian United Investment Company Limited ("the Company"):

1. The interim financial statements and notes, as set out on pages 6 to 13, are in accordance with the Corporations Act 2001, including:
  - (a) giving a true and fair view of the financial position of the Company as at 31 December 2016 and of its performance, as represented by the results of its operations and its cash flows, for the half-year ended on that date; and
  - (b) complying with Australian Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and
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.

Dated at Melbourne this 13<sup>th</sup> day of February 2017.

Signed in accordance with a resolution of the directors.

Charles Goode AC  
Director



# Independent Auditor's Review Report

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To the Members of Australian United Investment Company Limited  
("the Company")

## Report on the Interim Financial Report of Australian United Investment Company Limited (AUI)

### Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the **Interim Financial Report** of Australian United Investment Company is not in accordance with the *Corporations Act 2001*, including:

- i) giving a true and fair view of the Company's financial position as at 31 December 2016 and of its performance for the **Interim Period** ended on that date; and
- ii) Complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

We have reviewed the accompanying Interim Financial Report of Australian United Investment Company Limited.

The **Interim Financial Report** comprises:

- the balance sheet as at 31 December 2016
- statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the Interim Period ended on that date
- Notes 1 to 13 comprising a summary of significant accounting policies and other explanatory information
- The Directors' Declaration.

The **Interim Period** is the six months ending on 31 December 2016.

## Responsibilities of the Directors for the Interim Financial Report

The Directors of the Company are responsible for:

- The preparation of the Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*; and
- For such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Report that is free from material misstatement, whether due to fraud or error.

## Auditor's responsibility for the review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. We conducted our review in accordance with *Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the Interim Financial Report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Company's financial position as at 31 December 2016 and its performance for the interim period ended on that date; and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Australian United Investment Company Limited ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of Interim Period consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



## Independence

In conducting our review, 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 Australian United Investment Company Limited, would be in the same terms if given to the Directors as at the time of this Auditor's Report.

A handwritten signature in black ink that reads 'KPMG'.

KPMG

A handwritten signature in black ink that reads 'Maria Trinci'.

Maria Trinci

*Partner*

Melbourne

13 February 2017