



**AUSTRALIAN UNITED INVESTMENT
COMPANY LIMITED**

ABN 37 004 268 679

ANNUAL REPORT 2023

For personal use only

Directory

Directors

Charles Goode AC (Chairman)
Fred Grimwade
Dion Hershan
Wayne Kent

Company Secretary

James Pollard

Auditors

KPMG Chartered Accountants

Registered Office

Level 20, 101 Collins Street
MELBOURNE VIC 3000

T: (03) 9654 0499
E: info@aii.com.au
W: aii.com.au

Share Registry

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

T: 1300 554 474
E: registrars@linkmarketservices.com.au
W: linkmarketservices.com.au

Securities Exchange

Australian Securities Exchange Ltd (ASX)
ASX Code: AUI

Contents

Chairman's Report	1
Directors' Report	4
Remuneration Report	12
Lead Auditor's Independence Declaration	14
Statement of Profit or Loss and Other Comprehensive Income	15
Balance Sheet	16
Statement of Changes in Equity	17
Statement of Cash Flows	18
Notes to the Financial Statements	19
Directors' Declaration	36
Independent Auditor's Report	37
Additional Information	42
List of Investments	44

For personal use only

Chairman's Report

for the year ended 30 June 2023

I present the Annual Report of Australian United Investment Company Limited for the year ended 30 June 2023.

About AUI

The Company's objective is to take a medium to long term view and to invest in a diversified portfolio of listed Australian equities which have the potential to provide income and capital appreciation over the longer term.

Investment strategy

The Company's investment objectives are:

1. To create and maintain a diversified portfolio of quality Australian companies, primarily through shares listed on the ASX, with a medium to long term view of providing income and capital appreciation;
2. To actively manage the portfolio to monitor and reduce risks and identify market opportunities as they arise; and
3. To provide dividend income to shareholders which is sustainable over the long-term, maintaining full franking when possible.

In deciding whether to add a stock to the watch to buy list or to the portfolio, or to increase or decrease its size in the portfolio, the following criteria are considered:

1. Industry outlook;
2. Position of the company in its industry;
3. EPS growth potential;
4. Yield and franking;
5. Management strength and alignment with shareholder returns;
6. Balance Sheet strength; and
7. Environmental, Social & Governance (ESG).

Investment decisions are made after consideration has been given to relevant Environmental, Social and Governance (ESG) matters. The Company's Responsible Investing policy can be found on our website.

About the portfolio

The Australian equities portfolio is mainly in leading companies. At 30 June 2023, 79.1% of the Australian equities portfolio was invested in companies within the S&P/ASX50 (67.3% in the S&P/ASX20 and 11.8% in the S&P/ASX50 but not in the S&P/ASX20), with a further 11.7% invested in companies within the S&P/ASX100 but not in the S&P/ASX50, and 9.2% invested in companies outside the S&P/ASX100.

The equity portfolio of the Company is invested in Australian equities and at 30 June 2023 was spread over 40 companies.

Chairman's Report

for the year ended 30 June 2023

The Annual Report provides a list of the shareholdings at 30 June 2023 and 30 June 2022 and the market values as at 30 June 2023 of each investment together with its percentage of the portfolio.

The Company is a long-term investor, with the average age of holdings across the portfolio being 14.3 years. 58% of the portfolio has been held for longer than 10 years.

Investee company engagement

The Board of Directors regularly engage with investee companies, in particular through direct meetings with management or representatives of the company. This is a valuable way in which we can raise and discuss matters of concern and encourage improved management practices. During the year, 28 meetings were held with management or representatives of investee companies.

We also vote on resolutions raised at investee company meetings. Advice from proxy advisors is reviewed as part of our consideration as to how the Company will vote on various resolutions. Votes were placed at 43 shareholder meetings throughout the year.

Results

Statutory profit after tax for the year ended 30 June 2023 was \$56.4 million (2022: \$72.0 million). Included in the prior year was a one-off in-specie dividend from BHP of \$14.5 million, received as a result of the merger of Woodside and BHP Petroleum.

Statutory profit after tax includes special dividends of \$1.2 million (2022: \$20.9 million). Excluding these items, the Company's revenue rose 10.7% and net profit after tax increased 8.1%

More information on the Company's activities, performance and financial results can be found in the Operating and Financial Review on page 6.

Outlook

Last year in our Outlook Statement we said that "We face a year of stagflation as we move from 'asset inflation' to 'consumer inflation' without any serious policies for productivity improvements".

This statement proved fairly accurate although our outlook for the share market was one of 'caution' and as it happened, the market had a good year with the ASX200 price index rising 9.7% mainly from price earnings expansion.

We have been surprised how 'resilient' the economy has been to rising interest rates and we put this down to corporations having their balance sheets in sound condition, consumers having cash reserves from the COVID period and longer lead times in higher interest rates having an impact on economic activity.

The market may well be looking across the valley of slower economic growth with interest rates at or near their peak for this cycle and inflation trending down. However, we are still 'cautious' as to the outlook for corporate earnings with higher costs and softening demand, in particular from consumers facing higher electricity prices, high petrol prices and higher mortgage rates. This is reflected in a drop in consumer confidence, a significant fall in the consumer savings rate and household debt at high levels. We see little scope for further price earnings expansion.

Chairman's Report

for the year ended 30 June 2023

We are fully invested mainly in leading companies and in line with our 'cautious' outlook, we reduced our borrowings from \$167.5 million to \$86 million during the year. This has put us in a good position to invest in quality companies as opportunities arise. We see a fall in the dividends we receive from the investment portfolio, mainly due to expected reduced dividends from BHP, Rio Tinto and Woodside but we expect to maintain our dividend rate to shareholders.



Charles Goode
Chairman

For personal use only

Directors' Report

for the year ended 30 June 2023

The Directors of Australian United Investment Company Limited present their Directors' Report together with the financial report for the financial year ended 30 June 2023 and the auditor's report thereon.

Board and Management

Board of Directors

The Directors of the Company at any time during or since the end of the financial year are:

Charles Goode AC B.Com (Hons) (Melb), MBA (Columbia), Hon LLD (Melb), Hon LLD (Mon)
Non-executive Chairman, appointed April 1990 (Chairman since October 1993)

Mr Goode is the Chairman of the Boards of Diversified United Investment Limited (since 1991), The Ian Potter Foundation Limited (Governor since 1987, Chairman since 1994) and is Chairman Emeritus of Flagstaff Partners (having been Chairman 2010 – 2019). Mr Goode was formerly a director of Australia and New Zealand Banking Group Limited (1991 – 2010, Chairman 1996 – 2010) and Woodside Petroleum Limited (1988 – 2007, Chairman 1999 – 2007).

Fred Grimwade B.Com/LLB (Hons) (Melb), MBA (Columbia), FAICD
Non-executive Director, appointed March 2014

Mr Grimwade is a Principal and Director of Fawkner Capital Management Pty Ltd. He is currently Chairman of CPT Global Limited and XRF Scientific Limited. Formerly he held senior executive positions with Colonial First State Investments Group, Colonial Mutual Group, Western Mining Corporation and Goldman, Sachs & Co. He is the Chairman of the Company's Audit and Risk Management Committee and is Lead Independent Director.

Dion Hershman B.Com/B.A. (Mon), MBA (Columbia)
Non-executive Director, appointed April 2018

Mr Hershman is Executive Chairman and Head of Australian Equities at Yarra Capital Management. He has more than 20 years' finance industry experience. Formerly he held senior executive positions with Goldman Sachs Asset Management, Citadel Investment Group (New York), Fidelity Investments (Boston) and Boston Consulting Group. He is Chairman of the Company's Nomination and Remuneration Committee.

Wayne Kent B.Com/LLB (Melb), SF FIN
Non-executive Director, appointed November 2021

Mr Kent has a 40-year career spanning Law, Investment Banking and Private Equity, including extensive experience in the Australian and International markets. He is currently Senior Adviser to Flagstaff Partners, an independent corporate finance advisory firm. He co-founded Macquarie's Equity Capital Markets business and has held senior executive positions at Macquarie and Credit Suisse, Australia. He is also a co-owner or investor in a number of privately owned businesses and industrial properties in Australia.

Directors' Report

for the year ended 30 June 2023

Company Secretary

James Pollard B.BusCom (Mon), Grad Cert FP (Kaplan), FGIA, CA
Company Secretary, Appointed February 2020

Mr Pollard is also Company Secretary of Diversified United Investment Limited (since 2020), and has over 15 years' experience in accounting, taxation and private wealth advisory.

Directors' meetings

The number of Directors' meetings held (including meetings of Committees of Directors) and number of meetings attended by each of the Directors of the Company during the financial year were:

	Directors' meetings (including subcommittees)		Audit and Risk Management Committee meetings		Nomination & Remuneration Committee meetings	
	Meetings attended	Meetings eligible	Meetings attended	Meetings eligible	Meetings attended	Meetings eligible
Charles Goode	10	10	2	2	1	1
Fred Grimwade	11 ⁽¹⁾	11 ⁽¹⁾	2	2	1	1
Dion Hershman	10	10	2	2	1	1
Wayne Kent	11 ⁽¹⁾	11 ⁽¹⁾	2	2	1	1

(1) Fred Grimwade and Wayne Kent formed a sub-committee of the Board, which held one meeting.

All Directors are members of the Audit and Risk Management Committee, which is chaired by Fred Grimwade. All Directors are members of the Nomination and Remuneration Committee, which is chaired by Dion Hershman.

Directors' interests

As at the date of this report the relevant interest of each Director in the issued capital of the Company as notified by the Directors to the Australian Securities Exchange in accordance with s205G(1) of the Corporations Act 2001 is as follows:

	Ordinary shares		
	Note 1	Note 2	Note 3
Charles Goode	149,653	1,470,640	33,583
Fred Grimwade	-	23,189	-
Dion Hershman	-	12,000	-
Wayne Kent	-	10,000	-

Note 1 Beneficial in own name.

Note 2 Held by an entity / related party in which the Director has a relevant interest.

Note 3 Held for the Director in accordance with the terms of the Non-Executive Directors 2006 Accrued Entitlements Share Plan.

Except as stated above, no Director:

- (a) has any relevant interest in shares of the Company or a related body corporate;
- (b) has any relevant interests in debentures of, or interests in a registered scheme made available by, the Company or a related body corporate;

Directors' Report

for the year ended 30 June 2023

- (c) has any rights or options over shares in, debentures of, or interests in a registered scheme made available by, the Company or a related body corporate;
- (d) is a party to a contract, or is entitled to a benefit under a contract, that confers a right to call for or deliver shares in, or debenture of or interests in a registered scheme made available by the Company or a related body corporate.

Operating and Financial Review

About the Company

The principal activity of the Company is that of an investment company which seeks, through a portfolio of securities predominantly comprising shares of companies listed on the ASX, to provide income and capital appreciation over the longer term.

The Directors have sought to invest in a diversified portfolio of investments with the objective of obtaining current income and longer-term capital gain within an acceptable level of risk.

Review of activities during the year

There has been no significant change in the nature of the Company's activities during the financial year.

The risks to which the Company is exposed are set out in Notes 19 and 20 to the Financial Statements.

Portfolio turnover for the year to 30 June 2023 was 9.2%. The largest acquisitions and disposals during the period were:

Acquisitions		Disposals	
Macquarie ⁽¹⁾	\$15.6M	Atlas Arteria ^(4,5)	\$40.8M
James Hardie ⁽²⁾	\$6.0M	Orica ⁽⁴⁾	\$21.8M
Reece ⁽¹⁾	\$4.4M	Lendlease ⁽⁴⁾	\$13.8M
Stockland ⁽¹⁾	\$4.2M	Endeavour ⁽⁴⁾	\$10.6M
ANZ ^(1,3)	\$3.9M	News Corp ^(4,6)	\$5.4M

(1) Additions to existing positions.

(2) New position.

(3) Includes participation in the July 2022 rights issue.

(4) Fully disposed of holding.

(5) Net of participation in September 2022 rights issue.

(6) Net of purchases and sales.

At 30 June, the Company had total borrowing facilities available of \$195 million (2022: \$170 million). Following the rise in interest rates seen throughout the year, the Board has reduced the amount of debt drawn to \$86 million (2022: \$167.5 million).

During the year, Fred Grimwade was nominated as Lead Independent Director. This nomination was made to strengthen the Board's independent functioning in situations where the Chairman may be conflicted. The responsibilities of the Lead Independent Director are set out in the Board Charter, which can be found on the Company's website.

Directors' Report

for the year ended 30 June 2023

Performance

During the year the accumulation performance of the Company's Pre-tax Net Tangible Asset (NTA) backing (before provision for tax on unrealised gains) was an increase of 13.6%, compared to the S&P/ASX 200 Accumulation Index increase of 14.8%.

Including the benefit of franking credits for shareholders who can fully utilise them, the Company's accumulation return for the year to 30 June 2023 was an increase of 15.3% compared to an increase of 16.6% in the S&P/ASX 200 franking credit adjusted return.

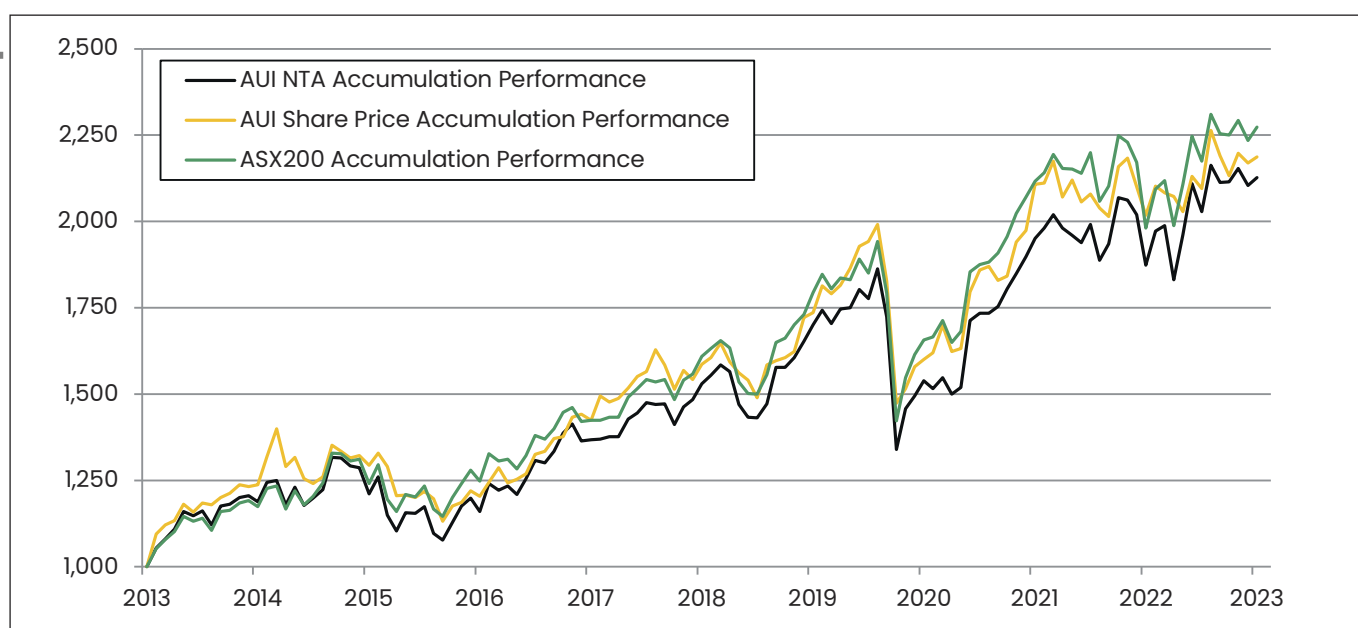
The Company's Pre-tax NTA backing accumulation performance is after all expenses, tax, and the impact of the Company's gearing. Such items are not included in the S&P/ASX indices.

The Company's relative performance for the year was assisted by overweight allocations to Washington H Soul Pattinson, Carsales and Wesfarmers, and an underweight allocation to National Australia Bank. Performance was held back by overweight holdings in Ramsay, Transurban and EVT, and an underweight allocation to the broader mining sector and certain high technology companies.

The Company's NTA and share price performance in recent years (assuming all dividends paid by the Company were re-invested in its shares) is as follows:

	1 year	3 years	5 years	10 years
AUI NTA backing accumulation p.a.	13.6%	11.4%	6.8%	7.8%
AUI share price accumulation p.a.	8.4%	11.0%	6.6%	8.1%
S&P/ASX200 accumulation index p.a.	14.8%	11.1%	7.2%	8.6%

The following graph shows the accumulation performance of the Company's Pre-tax NTA backing (before provision for tax on unrealised gains) and the Company's share price accumulation performance, assuming in both cases that all dividends were re-invested, and the S&P/ASX 200 Accumulation Index, over the last ten years.



Source: Evans & Partners

Directors' Report

for the year ended 30 June 2023

Financial results

For the year ended 30 June 2023, profit after tax was \$56.4 million compared to \$72.0 million in the previous year – a decrease of 21.7%. Prior year profit after tax includes a one-off in-specie dividend from BHP of \$14.5 million, received as a result of the merger of Woodside and BHP Petroleum.

Profit after tax includes certain items which are non-recurring or capital in nature, including special dividends declared by investee companies (referred to as "special income"). Special income received during the year totalled \$1.2 million after tax (2022: \$20.9 million). Excluding this, profit after tax increased 8.1%.

The weighted average number of ordinary shares for the year was 126.0 million compared to 125.1 million in the previous year, an increase of 0.7%.

Earnings per share was 43.8 cents per share excluding special income (2022: 40.8 cents) or was 44.7 cents per share including special income (2022: 57.5 cents).

Net Tangible Asset backing

The Pre-tax NTA backing of the Company's ordinary shares at 30 June 2023 was \$10.63 per share (2022: \$9.70). This is calculated based on investments at market value and is after tax on net realised gains, before any future tax benefit of net realised losses, before estimated tax on net unrealised gains and losses, and before the Company's final dividend.

The Company is a long-term investor and does not intend disposing of its portfolio. However, if estimated tax on net unrealised portfolio gains were to be deducted, the NTA backing would be \$8.99 per share (2022: \$8.31).

Borrowings

Key information in relation to the Company's borrowings is provided below:

	2023	2022
Bank facilities available	\$195 million	\$170 million
Amount drawn	\$86 million	\$167.5 million
Cash on hand, net receivables and pending settlements	\$11.3 million	\$11.9 million
Net debt as a proportion of the portfolio excluding cash	5.3%	11.3%
Interest expense coverage by revenue	12.5 times	27.8 times

Management expense ratio

Expenses (excluding finance costs) were 0.10% of the average market value of the investment portfolio (2022: 0.10%).

Directors' Report

for the year ended 30 June 2023

Dividends

Dividends paid or declared by the Company since the end of the previous financial year were:

	Cents per share	Total \$'000	Franking	Payment date
Declared during the year 2023				
Final 2022 dividend	20.0	25,055	100%	9 September 2022
Interim 2023 dividend	17.0	21,451	100%	17 March 2023
Declared after end of year				
Final 2023 dividend	20.0	25,265	100%	19 September 2023

Financial results history

The Company's financial results in respect of the current financial year and the previous four financial years was:

	2023	2022	2021	2020	2019
Profit after tax (\$ Millions)	56.4	72.0	40.5	41.1	55.8
Special income after tax (\$ Millions)	1.2	20.9	7.5	1.1	6.8
Underlying profit (profit after tax less special income after tax) (\$ Millions) ⁽¹⁾	55.2	51.1	33.0	40.0	49.0
Earnings per share (cents per share)	44.7	57.5	32.5	33.1	44.9
Earnings per share (excluding special income after tax) (cents)	43.8	40.8	26.5	32.2	39.4
Dividends per share (cents per share)	37.0	37.0	36.0	36.0	36.0
Pre-tax NTA backing per share (before tax on unrealised gains), 30 June	\$10.63	\$9.70	\$10.46	\$8.59	\$9.85
Share Price, 30 June	\$9.79	\$9.38	\$10.16	\$8.05	\$9.08
Management expense ratio	0.10%	0.10%	0.11%	0.12%	0.10%

(1) Underlying profit represents the ordinary and recurring income of the Company's investment portfolio, and is determined by deducting non-recurring items, non-cash items or income which is capital in nature from statutory net profit after tax.

Share buyback

The Company has an on-market share buyback capability in place which provides the Company the option to purchase its own shares on-market when at a broad discount to NTA, with any shares bought back being cancelled. Cancelling these shares increases the value of all remaining shares on issue.

No shares were bought back during the financial year.

Indemnification and insurance of Directors and Officers

The names of each person holding the position of Director of Australian United Investment Company Limited during the financial year are Charles Goode (Chairman), Fred Grimwade, Dion Hershman and Wayne Kent.

Directors' Report

for the year ended 30 June 2023

The Company has indemnified each current Director and the Company Secretary against all liabilities to another person (other than the Company or a related body corporate) that may arise from his position with the Company except where the liability arises out of conduct involving a lack of good faith. The agreements stipulate that the Company will meet the full amount of any such liabilities, including costs and expenses.

The Company has paid insurance premiums in respect of Directors' and Officers' liability and legal expenses insurance, for current and former Directors and Officers, insuring them against liabilities, costs and expenses arising out of conduct which does not involve a wilful breach of duty. This insurance premium covers the period from 18 June 2023 to 18 June 2024.

Events subsequent to balance date

Other than as disclosed in the Financial Statements, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event 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.

Likely developments

The Directors do not anticipate any particular developments in the operations of the Company which will affect the results of future financial years other than the value of the investment portfolio is expected to fluctuate broadly in line with market movements.

It is the Directors' intention to continue to invest in a portfolio of listed securities for long-term capital gain and dividend income.

State of affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of the Company that occurred during the financial year under review.

Non-audit services

There were no non-audit services provided by the auditor during the financial year (2022: nil).

Corporate Governance Statement

The Company's Corporate Governance Statement for the year ended 30 June 2023 will be published together with the 2023 Annual Report.

The Company's most recent Corporate Governance Statement can be found on the Company's website at <https://www.aui.com.au/corporate-governance>.

Environmental regulation

The Company's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation.

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

The lead auditor's independence declaration is set out on page 14 and forms part of the Directors' Report for the year ended 30 June 2023.

Directors' Report

for the year ended 30 June 2023

Rounding of amounts

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, and in accordance with that instrument, amounts in the Financial Report and Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

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



Charles Goode
Chairman
16 August 2023

For personal use only

Remuneration Report

for the year ended 30 June 2023

This Remuneration Report has been audited.

Directors

Non-executive Directors fees paid were as follows:

	2023			2022		
	Fee \$	Superannuation \$	Total \$	Fee \$	Superannuation \$	Total \$
Charles Goode	171,946	18,054	190,000	163,636	6,364	180,000
Fred Grimwade	85,973	9,027	95,000	81,818	8,182	90,000
Dion Hershan	85,973	9,027	95,000	81,818	8,182	90,000
Wayne Kent	85,973	9,027	95,000	50,826	5,083	55,909
Total	429,865	45,135	475,000	378,098	37,811	415,909

No additional fees are paid to members of the Board Committees.

Company Secretary

The services of the Company Secretary, James Pollard, are provided to Diversified United Investment Limited through an administrative services agreement with the Company.

After cost recovery for those services provided to Diversified United Investment Limited, remuneration paid (including superannuation) in relation to services provided to the Company was \$110,000 (2022: \$100,000).

Remuneration process

The Nomination and Remuneration Committee reviews and makes recommendations to the Board on remuneration packages and policies applicable to employees and Directors of the Company including superannuation entitlements, retirement and termination entitlements, fringe benefits policies and professional indemnity policies. The Company's key management personnel are the Directors and the Company Secretary.

Remuneration levels are competitively set to attract and retain appropriately qualified and experienced Directors. The Nomination and Remuneration Committee may seek independent advice on the appropriateness of remuneration packages, given trends in comparative companies and considering Company activity and changing responsibilities. The remuneration structures are designed to attract suitably qualified candidates, and to facilitate the broader outcome of supporting the Company's objectives of obtaining current income and longer-term capital gains within an acceptable level of risk.

Directors' fees are fixed and reviewed annually, and the maximum total of Directors' fees is set by the shareholders in general meeting, considering the Company's performance and market conditions. The current maximum is \$600,000.

Non-executive directors do not receive performance-related compensation and are not provided with retirement benefits apart from statutory superannuation and any shares issued as a result of accumulated benefits from the Non-Executive Directors' 2006 Accrued Entitlements Share Plan.

Remuneration Report

for the year ended 30 June 2023

Dealings with Directors and the Company Secretary

Each Director and the Company Secretary has signed a Deed of Access, Indemnity and Insurance with the Company and is covered by the Company's Directors and Officers Liability Insurance.

No Director has entered a material contract with the Company since the end of the previous financial year and there were no material contracts involving Directors' interests existing at year end, other than the Deeds of Access, Indemnity and Insurance held.

For personal use only

Lead Auditor's Independence Declaration



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 audit of Australian United Investment Company Limited for the financial year ended 30 June 2023 there have been:

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



KPMG

Chris Sargent

Partner

Melbourne

16 August 2023

KPMG, an Australian partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation. Liability limited by a scheme approved under Professional Standards Legislation.

Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
Revenue from investment portfolio	2(a)	63,806	77,764
Administration and other expenses		(1,779)	(1,705)
Administration costs recovered		289	281
Finance expenses	2(b)	(5,121)	(2,807)
Profit before tax		57,195	73,533
Income tax expense	4(a)	(832)	(1,547)
Profit after tax		56,363	71,986
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Revaluation of the investment portfolio for the year		106,667	(121,108)
Provision for tax (expense) / benefit on revaluation of the investment portfolio for the year		(32,284)	36,316
Other comprehensive profit / (loss) after tax		74,383	(84,792)
Total comprehensive profit / (loss)		130,746	(12,806)
Basic and diluted earnings per share (cents)	5	44.7	57.5

For personal use only

The Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the Notes to the Financial Statements set out on pages 19 to 35.

Balance Sheet

as at 30 June 2023

	Note	2023 \$'000	2022 \$'000
Assets			
Cash and cash equivalents	17(a)	5,133	6,731
Receivables	7	6,172	5,164
Current tax receivable	4(c)	418	191
Other assets	8	108	117
Current assets		11,831	12,203
Investment portfolio	9	1,418,252	1,376,921
Plant and equipment	10	11	21
Other assets	8	12	90
Non-current assets		1,418,275	1,377,032
Total assets		1,430,106	1,389,235
Liabilities			
Payables	11	1,377	5,943
Employee benefits		35	31
Current liabilities		1,412	5,974
Payables	11	-	14
Employee benefits		15	11
Borrowings – interest bearing	12	86,000	167,500
Net deferred tax liability	4(b)	206,988	174,225
Non-current liabilities		293,003	341,750
Total liabilities		294,415	347,724
Net assets		1,135,691	1,041,511
Equity			
Issued capital	14(a)	464,318	454,378
Reserves	14(b)	671,373	587,133
Total equity		1,135,691	1,041,511

The Balance Sheet is to be read in conjunction with the Notes to the Financial Statements set out on pages 19 to 35.

Statement of Changes in Equity

for the year ended 30 June 2023

	Issued capital \$'000	Revaluation Reserve \$'000	Realisation Reserve \$'000	Retained earnings \$'000	Total equity \$'000
As at 1 July 2021	451,268	511,028	(3,066)	136,989	1,096,219
Total comprehensive income					
Revaluation of investment portfolio	-	(121,108)	-	-	(121,108)
Tax benefit	-	36,316	-	-	36,316
Net realised gains on disposals	-	(15,613)	15,613	-	-
Tax expense	-	6,632	(6,632)	-	-
Profit after tax	-	-	-	71,986	71,986
	-	(93,773)	8,981	71,986	(12,806)
Transactions with shareholders					
Dividend Reinvestment Plan	3,110	-	-	-	3,110
Dividends paid	-	-	-	(45,012)	(45,012)
	3,110	-	-	(45,012)	(41,902)
As at 30 June 2022	454,378	417,255	5,915	163,963	1,041,511
As at 1 July 2022	454,378	417,255	5,915	163,963	1,041,511
Total comprehensive income					
Revaluation of investment portfolio	-	106,667	-	-	106,667
Tax expense	-	(32,284)	-	-	(32,284)
Net realised gains on disposals	-	(6,253)	6,253	-	-
Tax expense	-	4,270	(4,270)	-	-
Profit after tax	-	-	-	56,363	56,363
	-	72,400	1,983	56,363	130,746
Transactions with shareholders					
Dividend Reinvestment Plan	3,071	-	-	-	3,071
Share Purchase Plan	6,869	-	-	-	6,869
Dividends paid	-	-	-	(46,506)	(46,506)
	9,940	-	-	(46,506)	(36,566)
As at 30 June 2023	464,318	489,655	7,898	173,820	1,135,691

For personal use only

The Statement of Changes in Equity is to be read in conjunction with the Notes to the Financial Statements set out on pages 19 to 35.

Statement of Cash Flows

for the year ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
Cash flows from operating activities			
Interest received		289	15
Dividends and trust distributions received		62,434	58,092
Other revenue received		289	281
Administration and other expenses paid		(1,740)	(1,669)
Finance costs paid		(4,515)	(2,913)
Income taxes paid		(505)	(1,405)
Net cash from operating activities	17(b)	56,252	52,401
Cash flows from investing activities			
Proceeds from sale of investments		132,812	105,689
Return of capital from investment portfolio		-	2,800
Purchases of investments		(72,597)	(149,965)
Purchases of fixed assets		-	(7)
Net cash from / (used in) investing activities		60,215	(41,483)
Cash flows from financing activities			
Proceeds from borrowings		51,500	77,500
Repayment of borrowings		(133,000)	(45,000)
Proceeds from Share Purchase Plan		6,869	-
Dividends paid net of Dividend Reinvestment Plan		(43,434)	(41,902)
Net cash used in financing activities	12	(118,065)	(9,402)
Net (decrease) / increase in cash held		(1,598)	1,516
Cash and cash equivalents at 1 July		6,731	5,215
Cash and cash equivalents at 30 June	17(a)	5,133	6,731

For personal use only

The Statement of Cash Flows is to be read in conjunction with the Notes to the Financial Statements set out on pages 19 to 35.

Notes to the Financial Statements

for the year ended 30 June 2023

1. Statement of significant accounting policies

Australian United Investment Company Limited (“the Company”) is a for-profit company domiciled in Australia. The financial report was authorised for issue by the Directors on 16 August 2023.

(a) Statement of compliance

This financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (‘AASBs’) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (‘AASB’) and the Corporations Act 2001. The financial report of the Company also complies with International Financial Reporting Standards (‘IFRSs’) and interpretations adopted by the International Accounting Standards Board.

(b) Basis of preparation

The financial report is presented in Australian dollars. The accounting policies set out below have been applied consistently to all periods presented in these Financial Statements.

The Company has prepared an assessment of its ability to continue as a going concern, taking into account all available information for a period of 12 months from the date of these Financial Statements. It is the view of the Directors that the Company will be able to pay its debts as and when they become due and payable and as such these Financial Statements are prepared on a going concern basis.

The Company has not applied any Australian Accounting Standards that have been issued as at balance date but are not yet operative for the year ended 30 June 2023 (“the inoperative standards”). The inoperative standards have been assessed as having no impact. The Company only intends to adopt inoperative standards at the date at which their adoption becomes mandatory.

The financial report is prepared on a historical cost basis except that the investment portfolio is stated at its fair value.

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

(c) Investments

The Company is a long-term investor. Under Australian Accounting Standards, the Company has elected to classify equity investments at fair value through other comprehensive income, as they are not held for trading. After initial recognition at fair value (being cost), all investments are measured at fair value.

Unrealised gains or losses on equity and other investments are recognised in the Revaluation Reserve until the investment is sold or otherwise disposed of, at which time the cumulative gain or loss is transferred to the Realisation Reserve.

For personal use only

Notes to the Financial Statements

for the year ended 30 June 2023

1. Statement of significant accounting policies (continued)

The Company derecognises an investment when it is sold, or it transfers the investment, and the transfer qualifies for derecognition in accordance with AASB 9.

Interest bearing investments are recognised at fair value and then measured at amortised cost. Amortised cost is calculated with any difference between cost and redemption value being recognised in the income statement over the period of the investment on an effective interest basis.

(d) Revenue from investment portfolio

The activity of the Company is that of an investment company, returns being in the form of dividends, interest income, trust income and option premiums. Dividend income is recognised in the income statement at ex-dividend date and all other income is recognised on an accrual basis. Special Dividends are those dividends received which have been designated as special by the declaring company.

The managed funds in which the Company invests distribute realised capital gains from time to time and these are included in operating revenue, as required under accounting standards. The Company may write covered call options where it is prepared to sell or reduce a long-term investment at prices higher than current market. Open option contracts are marked to market through the profit and loss account.

(e) Taxation

The income tax expense or revenue for the period is the tax payable or receivable on the current period's taxable income based on the applicable company tax rate of 30% adjusted by changes in deferred tax assets and liabilities which arise from items being brought to account in different periods for income tax and accounting purposes.

The expected tax on disposal of equity securities in the investment portfolio is recognised directly in the Revaluation Reserve and as a deferred tax liability. When the Company disposes of such securities, tax is calculated on gains made according to the particular parcels allocated to the sale for tax purposes and offset against any capital losses carried forward. At this time, the tax recognised directly in the Revaluation Reserve is transferred to the Realisation Reserve.

The associated deferred tax liability is similarly adjusted and transferred to current tax payable.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

For personal use only

Notes to the Financial Statements

for the year ended 30 June 2023

1. Statement of significant accounting policies (continued)

(f) Employee benefits

Provision is made for benefits accruing to employees in respect of wages, salaries, annual leave and long service leave (based on wage rates expected at the time of settling the liability) when it is probable that settlement will be required, and they are capable of being reliably measured. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

(g) Interest bearing borrowings

Interest bearing borrowings are recognised initially at fair value less attributable transaction costs. After initial recognition, interest bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowing on an effective interest basis.

(h) Ordinary shares

Ordinary shares are classified as equity. Costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

2. Revenue and expenses

	2023 \$'000	2022 \$'000
(a) Revenue		
Ordinary dividends received or due and receivable	56,506	51,311
Special dividends received or due and receivable	1,155	20,895
	57,661	72,206
Trust distributions received or due and receivable	5,856	5,543
Interest received or due and receivable	289	15
	63,806	77,764
(b) Expenses		
Finance expenses:		
Interest and borrowing expenses	5,121	2,807

3. Auditor's remuneration

During the year, KPMG, the Company's auditor, received the following remuneration inclusive of GST:

	2023 \$	2022 \$
Audit and review of financial reports	57,122	57,971

Notes to the Financial Statements

for the year ended 30 June 2023

4. Taxation

	2023 \$'000	2022 \$'000
(a) Income tax expense		
Income tax recognised in the income statement		
Current year tax liability	(392)	(1,404)
Withholding tax on foreign dividends	(76)	(50)
Temporary differences	(478)	(140)
Over provision of prior year income tax expense	114	47
Income tax expense	(832)	(1,547)
Reconciliation between profit and income tax expense		
Profit before tax	57,195	73,533
Prima facie income tax expense at 30%	(17,159)	(22,060)
Adjustments:		
Franking credits gross up on dividends received	(6,871)	(8,150)
Franking credits on dividends received	22,902	27,165
Non-taxable demerger dividend received	-	1,156
Other	182	295
Over provision of prior year income tax expense	114	47
Income tax expense	(832)	(1,547)
Deferred tax recognised directly in equity		
Increase / (decrease) in provision for tax on net unrealised gains on investments	32,284	(36,316)
(b) Net deferred tax assets and liabilities		
Provision for tax on net unrealised gains on investments	211,514	183,090
Tax benefit of capital losses carried forward	(4,621)	(9,007)
Other	95	142
Net deferred tax liabilities	206,988	174,225
(c) Current tax receivable		
Current year tax liability	392	1,405
Tax instalments paid	(810)	(1,391)
Withholding taxes receivable	-	(205)
Current tax receivable	(418)	(191)

For personal use only

Notes to the Financial Statements

for the year ended 30 June 2023

5. Earnings per share

	2023 \$'000	2022 \$'000
Weighted average number of ordinary shares	126,007	125,126
	\$'000	\$'000
Profit after tax	56,363	71,986
	Cents	Cents
Basic and diluted earnings per share	44.7	57.5
Earnings per share excluding special income received (refer Note 1(d))	43.8	40.8

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

6. Dividends

Dividends recognised in the current year by the Company are:

	2023 \$'000	2022 \$'000
2022 final dividend of 20.0 cents per share (2021: 19.0 cents) fully franked paid 9 September 2022	25,055	23,742
2023 interim dividend of 17.0 cents per share (2022: 17.0 cents) fully franked paid 17 March 2023	21,451	21,270
	46,506	45,012

Since 30 June 2023, the Directors have declared the following dividend:

	2023 \$'000	2022 \$'000
2023 final dividend of 20.0 cents per share (2022: 20.0 cents) fully franked payable on 19 September 2023	25,265	25,055

The financial effect of this dividend has not been brought to account in the Financial Statements for the year ended 30 June 2023.

The final dividend will not contain a Listed Investment Company (LIC) capital gain dividend (2022: no LIC capital gain dividend).

Notes to the Financial Statements

for the year ended 30 June 2023

6. Dividends (continued)

Franking account

The balance of the Franking Account at 30 June 2023 is \$50,975,733 (2022: \$47,416,257) after adjusting for:

- (a) franking credits that will arise from any current income tax liability, and
- (b) franking credits that will arise from the receipt of dividends recognised as receivables at year end.

After allowing for the final 2023 dividend, which is not provided for in these Financial Statements, the balance of the franking account would be \$40,147,789. The ability to utilise the franking credits is dependent upon the ability of the Company to declare dividends.

Listed Investment Company (LIC) capital gain account

The balance of the LIC Capital Gain Account at 30 June 2023 was \$372,101 (2022: \$372,101). When distributed, LIC capital gains may entitle certain shareholders to a special deduction in their taxation return, as set out in the relevant dividend statement.

7. Receivables

	2023 \$'000	2022 \$'000
Current		
Dividends receivable	3,906	3,513
Trust distributions receivable	2,266	1,651
	6,172	5,164

8. Other assets

	2023 \$'000	2022 \$'000
Current		
Prepayments	108	117
Non-current		
Right of use asset	12	90

For personal use only

Notes to the Financial Statements

for the year ended 30 June 2023

9. Investments

	2023 \$'000	2022 \$'000
Non-current		
Investments in equities quoted on prescribed stock exchanges (at fair value)	1,418,252	1,376,921

10. Plant and equipment

	2023 \$'000	2022 \$'000
Plant and equipment at cost	33	46
Accumulated depreciation	(22)	(25)
	11	21
Movements		
Carrying amount at beginning of year	21	28
Additions	-	7
Depreciation	(10)	(14)
	11	21

11. Payables

	2023 \$'000	2022 \$'000
Current		
Pending settlements	-	5,120
Trade creditors	123	110
Accrued interest	1,218	612
Lease liability	14	84
Input tax credits	22	17
	1,377	5,943
Non-current		
Lease liability	-	14
	-	14
	1,377	5,957

The Company's lease liability relates to the lease of office premises. The existing agreement will expire on 31 August 2023. It is anticipated that a new five-year agreement will be entered into prior to expiry of the current lease.

Notes to the Financial Statements

for the year ended 30 June 2023

12. Borrowings

	2023 \$'000	2022 \$'000
Non-current		
Bank borrowings - secured	86,000	167,500

At 30 June 2023 the Company had facilities totalling \$195 million (2022: \$170 million) with NAB as follows:

Maturity	Interest rate ⁽¹⁾	Facility limit \$'000
2 July 2023 ⁽²⁾	Floating 4.99%	10,000
1 July 2024	Floating 5.27%	125,000
1 July 2024	Floating 5.17%	20,000
31 July 2025	Fixed 2.27%	20,000
31 July 2026	Floating 5.17%	20,000
		195,000

(1) Interest rate includes bank margins and fees.

(2) As per the Revised Letter of Offer dated 9 June 2023, at the maturity date, this facility will be replaced by a new loan for the same amount with a floating interest rate of 5.16% and expiry 3 July 2027.

The terms of the agreement require the market value of the securities pledged as collateral for the drawn secured borrowings to satisfy a minimum value of \$397.6 million. As at 30 June 2023 the market value of the securities pledged as collateral was \$602.2 million (2022: \$544.0 million).

Reconciliation of movements in borrowings to cash flows from financing activities

	Liabilities		Equity	
	Borrowings 2022 \$'000	Retained Earnings 2022 \$'000	Issued Capital 2022 \$'000	Total 2022 \$'000
Balance at 1 July 2021	135,000	136,989	451,268	723,257
Changes from financing cash flows				
Proceeds from borrowings	77,500	-	-	77,500
Repayment of borrowings	(45,000)	-	-	(45,000)
Cash dividends paid	-	(41,902)	-	(41,902)
Total changes from financing cash flows	32,500	(41,902)	-	(9,402)
Equity-related other changes	-	68,876	3,110	71,986
Balance at 30 June 2022	167,500	163,963	454,378	785,841

Notes to the Financial Statements

for the year ended 30 June 2023

12. Borrowings (continued)

	Liabilities	Equity		Total 2023 \$'000
	Borrowings 2023 \$'000	Retained Earnings 2023 \$'000	Issued Capital 2023 \$'000	
Balance at 1 July 2022	167,500	163,963	454,378	785,841
Changes from financing cash flows				
Proceeds from borrowings	51,500	-	-	51,500
Repayment of borrowings	(133,000)	-	-	(133,000)
Proceeds from Share Purchase Plan	-	-	6,869	6,869
Cash dividends paid	-	(43,434)	-	(43,434)
Total changes from financing cash flows	(81,500)	(43,434)	6,869	(118,065)
Equity-related other changes	-	53,291	3,071	56,362
Balance at 30 June 2023	86,000	173,820	464,318	724,138

13. Financing arrangements

The Company has access to the following lines of credit:

	2023 \$'000	2022 \$'000
Total facility available		
Loan facility – secured	195,000	170,000
Facilities utilised at balance date		
Loan facility – secured	86,000	167,500

Notes to the Financial Statements

for the year ended 30 June 2023

14. Capital and reserves

(a) Issued capital

	2023 \$'000	2022 \$'000
Issued and paid-up share capital 126,326,013 ordinary fully paid shares (2022: 125,274,745)	464,318	454,378
Movements in issued capital		
Balance at beginning of the year	454,378	451,268
Shares issued:		
Dividend Reinvestment Plan ⁽¹⁾	3,071	3,110
Share Purchase Plan ⁽²⁾	6,869	-
	464,318	454,378

(1) In respect of the final dividend paid in September 2022, 169,882 ordinary shares were issued at \$9.65 each and in respect of the interim dividend paid in March 2023, 144,648 ordinary shares were issued at \$9.89 each.

(2) In respect of the 2022 Share Purchase Plan, 736,738 shares were issued at \$9.41 each on 30 September 2022. Transaction costs associated with the Share Purchase Plan were \$61,000.

(b) Reserves

	2023 \$'000	2022 \$'000
Retained earnings	173,820	163,963
Revaluation Reserve	489,655	417,255
Realisation Reserve	7,898	5,915
	671,373	587,133

Revaluation Reserve

Increments or decrements arising from the revaluation of long-term equity investments after provision for deferred tax are recorded in this reserve.

When an investment has been sold or de-recognised, realised gains or losses (after tax) are transferred from the Revaluation Reserve to the Realisation Reserve.

Realisation Reserve

The Realisation Reserve records realised gains and losses (after tax) from the sale of investments in equities which are transferred from the Revaluation Reserve.

15. Contingent liabilities and capital commitments

There were no contingent liabilities or capital commitments as at 30 June 2023.

Notes to the Financial Statements

for the year ended 30 June 2023

16. Related parties

Per the definition in AASBI24 – Related Party Disclosures, the Company has been identified as a related party of Diversified United Investment Limited (DUI) due to the provision of services of key management personnel (being the Company Secretary, James Pollard) from the Company to DUI.

In July 2019, the Company entered into an agreement with DUI for the provision of administrative services. The total fees received for services provided in the current year are \$317,900 including GST (2022: \$309,100).

The Company leases its office premises from Flagstaff Partners Pty Ltd (Flagstaff) on commercial, arms-length terms. The Company advises that Charles Goode, Chairman of the Company, is also Chairman Emeritus of Flagstaff Partners and that Wayne Kent, Director of the Company, is a Special Adviser to Flagstaff.

Key management personnel compensation

The Company's key management personnel include its Directors and the Company Secretary.

The total Directors' remuneration for the year was \$475,000 (2022: \$415,909). Details of the Directors' remuneration are set out in the Remuneration Report that forms part of the Directors' Report.

Key management personnel compensation during the year comprised the following:

	2023 \$	2022 \$
Amounts paid or payable to Directors	475,000	415,909
Short-term employee benefits	99,548	90,909
Post-employment benefits (superannuation)	10,452	9,091
	585,000	515,909

17. Notes to the Statement of Cash Flows

(a) Reconciliation of cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand and at bank and short-term deposits at call. Cash as at the end of the financial year is shown in the Statement of Cash Flows and in the Balance Sheet as \$5,133,000 (2022: \$6,731,000).

Notes to the Financial Statements

for the year ended 30 June 2023

17. Notes to the Statement of Cash Flows (continued)

(b) Reconciliation of profit after tax to net cash flows from operating activities

	2023 \$'000	2022 \$'000
Profit after tax	56,363	71,986
Adjustments for:		
Increase in non-cash dividends	-	(18,372)
Increase in dividends receivable	(393)	(718)
Increase in trust distributions receivable	(615)	(187)
Decrease in other assets	97	68
Increase in deferred tax assets	(114)	(64)
Increase in deferred tax liability	478	75
Decrease in other taxes	(113)	(377)
Increase / (decrease) in payables and provisions	549	(10)
Net cash flows from operating activities	56,252	52,401

18. Capital management

The Company's objective in managing capital is to continue to provide shareholders with dividends and capital appreciation over the longer term within acceptable levels of risk.

The Company may adjust the quantum of dividends paid, issue new shares or buy back shares, or increase or reduce debt in order to manage its capital structure.

The Company is not subject to any externally imposed capital requirements.

19. Financial risk management

AASB 7 – Financial Instruments: Disclosures identifies three types of risk associated with financial instruments (i.e. investments, receivables, payable and borrowings).

The Company has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk; and
- market risk.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework and receives advice from the Audit and Risk Management Committee.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The credit risk exposure of the Company lies principally in its cash and receivables to the extent of their carrying values and any accrued unpaid interest. Refer Note 17.

Notes to the Financial Statements

for the year ended 30 June 2023

19. Financial risk management (continued)

Cash

The Company invests in cash management units with the Mutual Trust Cash Fund. Investments are restricted to at-call deposits and term deposits with APRA-regulated banks. Banks are limited to a minimum counterparty credit risk rating of Standard & Poor's A-2 short term and BBB- long term.

All other cash deposits are held with Australian banks with a direct or underlying AA- credit rating assigned by Standard & Poor's.

Receivables

Receivables are non-interest bearing and represent dividends, proceeds of sales and distributions yet to be received. The credit risk exposure of the Company in relation to receivables is the carrying amount.

Given the nature of the counterparties with which the Company deals, management does not expect any counterparty to fail to meet its obligations. Additionally, none of these assets is overdue or considered to be impaired.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities as they fall due. The Company monitors its cash flow requirements and ensures that it has cash or access to sufficient borrowing facilities or liquid securities to meet all its financial obligations as they fall due.

Bank borrowings were \$86.0 million at the end of the financial year (2022: \$167.5 million), and net debt as a proportion of the portfolio excluding cash was 5.3% (2022: 11.3%). The Company has interest bearing loan facilities in place with the National Australia Bank which include both fixed and floating rate components. These facilities expire at various intervals through to 31 July 2027, unless renewed. Annual interest expense during the year was covered 12.5 times by investment revenue (2022: 27.8 times).

The Company's significant cash inflows are derived from dividends, distributions, and the sale proceeds received from its investment portfolio and proceeds from borrowings. Its major cash outflows include the purchase of securities, finance expenses, borrowing repayments and dividends paid to shareholders, which are managed by the Company.

The Company's investments are quoted on a prescribed stock exchange or are in managed investment funds and can be realised if required.

Notes to the Financial Statements

for the year ended 30 June 2023

19. Financial risk management (continued)

Exposure to liquidity risk

The following are the contractual maturities of financial liabilities at the reporting date. The carrying amount represents the account balance of the liability in the financial statements and the contractual cash flows are the undiscounted future cash payments as required by the relevant arrangement.

Financial liabilities 2022	Carrying amount \$'000	Contractual cash flows					
		Total \$'000	12 months or less \$'000	1 to 2 years \$'000	2 to 3 years \$'000	3 to 4 years \$'000	4 to 5 years \$'000
Pending settlements	5,120	(5,120)	(5,120)	-	-	-	-
Trade creditors	110	(110)	(110)	-	-	-	-
Accrued interest	612	(612)	(612)	-	-	-	-
Lease liability	98	(100)	(86)	(14)	-	-	-
Input tax credits	17	(17)	(17)	-	-	-	-
Borrowings	167,500	(167,500)	-	(107,500)	(20,000)	(20,000)	(20,000)
	173,457	(173,459)	(5,945)	(107,514)	(20,000)	(20,000)	(20,000)

Financial liabilities 2023	Carrying amount \$'000	Contractual cash flows					
		Total \$'000	12 months or less \$'000	1 to 2 years \$'000	2 to 3 years \$'000	3 to 4 years \$'000	4 to 5 years \$'000
Pending settlements	-	-	-	-	-	-	-
Trade creditors	123	(123)	(123)	-	-	-	-
Accrued interest	1,218	(1,218)	(1,218)	-	-	-	-
Lease liability	14	(14)	(14)	-	-	-	-
Input tax credits	22	(22)	(22)	-	-	-	-
Borrowings	86,000	(86,000)	-	(36,000)	(20,000)	(20,000)	(10,000)
	87,377	(87,377)	(1,377)	(36,000)	(20,000)	(20,000)	(10,000)

Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments.

Inherently, the Company is not free of market risk as it invests its capital in securities whose market prices can fluctuate.

Market risk is managed by ensuring that the Company's investment portfolio is not overly exposed to one Company or one particular sector relative to the S&P/ASX 200 index after taking into account unrealised capital gains. The relative weightings of the individual securities and the relative market sector weightings are reviewed by the Board at each Director's meeting.

Notes to the Financial Statements

for the year ended 30 June 2023

19. Financial risk management (continued)

Price risk

The Company is exposed to price risk to the extent that the value of investments held may fluctuate with movements in market prices.

Price risk sensitivity

Based on a tax rate of 30% (2022: 30%), a general movement in market prices of 5% and 10% would lead to a change in the Company's equity as follows:

	2023		2022	
	\$'000	%	\$'000	%
Market prices increase by 5%	49,639	4.4	48,192	4.6
Market prices increase by 10%	99,278	8.7	96,384	9.3
Market prices fall by 5%	(49,639)	(4.4)	(48,192)	(4.6)
Market prices fall by 10%	(99,278)	(8.7)	(96,384)	(9.3)

Currency risk

All of the Company's investments are quoted in Australian dollars therefore avoiding any direct exposure to currency risk. Nevertheless, several of the underlying investee companies' businesses may have currency risk exposures.

The Company also has exposure to interest rate risk on its borrowings as detailed in Note 20.

20. Financial instruments disclosure

Interest rate risk

The Company's exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets which bear interest is set out below.

Interest income

The Company is exposed to interest rate risk through its cash accounts and short-term deposits. Interest bearing investments are not core to the Company's investment strategy, therefore the exposure to interest rate risk on interest income is not material.

The weighted average interest rate on cash accounts is as follows:

	Note	Floating Interest Rate \$'000
2023		
Cash	17	5,133
Weighted Average Interest Rate		3.0%
2022		
Cash	17	6,731
Weighted Average Interest Rate		0.1%

Notes to the Financial Statements

for the year ended 30 June 2023

20. Financial instruments disclosure (continued)

Interest paid

The Company is also exposed to interest rate risk through its floating rate loan facilities, which is mitigated through conservative levels of gearing, ensuring that appropriate interest cover exists and establishing fixed interest rate facilities when appropriate.

At 30 June 2023, the Company had drawn floating rate borrowings of \$66 million (2022: \$147.5 million). The interest paid on these loans can fluctuate with changes in the floating interest rate, which is affected by external factors such as movements in the Bank Bill Swap Rate (BBSW).

Interest paid sensitivity

A movement in the floating rates on these facilities of 50 basis points and 100 basis points would lead to a change in profit after tax of \$231,000 or 0.4% (2022: \$516,000 or 0.7%), and \$462,000 or 0.8% (2022: \$1,033,000 or 1.4%) respectively.

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.

The net fair value of unlisted managed funds is determined by valuing them at the net asset value provided by the fund manager as at balance date. Unlisted managed funds included in "Investments" are considered "Level 2" under the fair value measurement hierarchy, which is defined as inputs other than quoted prices, which can be observed either directly (as prices) or indirectly (derived from prices).

As at 30 June 2023, the Company's Level 1 investments totalled \$1,418,252,000 (2022: \$1,376,921,000) and it did not hold any Level 2 investments (2022: nil). The net fair value of investments is set out in Notes 9 and 23.

Fixed interest borrowings

At 30 June 2023, the fair value of the Company's fixed interest rate borrowings was \$17,799,000 (2022: \$19,609,000) while the face value was \$20,000,000 (2022: \$20,000,000).

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

For personal use only

Notes to the Financial Statements

for the year ended 30 June 2023

21. Segment reporting

The Company operates as an investment company in Australia.

22. Events subsequent to balance date

Other than as disclosed in this report, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event 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.

23. Holdings of securities as at 30 June 2023

The following is a list of the Company's top 25 Investments as at 30 June 2023, which represent 88.9% of the total investment portfolio (2022: 87.6%). All Investments are valued at fair value through Other Comprehensive Income.

2023		2022	
Security	Market Value \$'000	Security	Market Value \$'000
Commonwealth Bank of Australia Ltd	130,351	Commonwealth Bank of Australia Ltd	117,494
BHP Group Ltd	121,473	CSL Ltd	114,351
CSL Ltd	117,887	BHP Group Ltd	111,375
Rio Tinto Ltd	86,017	Transurban Group	79,090
Woodside Energy Group Ltd	79,212	Rio Tinto Ltd	77,025
Transurban Group	78,375	Woodside Energy Group Ltd	73,232
Diversified United Investment Ltd	70,848	Diversified United Investment Ltd	66,240
Wesfarmers Ltd	69,076	Wesfarmers Ltd	58,674
ANZ Group Holdings Ltd	62,832	ANZ Group Holdings Ltd	53,974
Westpac Banking Corporation	46,948	Atlas Arteria	48,360
Woolworths Group Ltd	39,730	Westpac Banking Corporation	42,900
Carsales.com Ltd	39,303	Ramsay Health Care Ltd	36,620
Aristocrat Leisure Ltd	38,660	Woolworths Group Ltd	35,600
Washington H Soul Pattinson & Co Ltd	31,780	Aristocrat Leisure Ltd	34,380
Worley Ltd	31,580	National Australia Bank Ltd	31,499
National Australia Bank Ltd	30,325	Worley Ltd	28,480
Ramsay Health Care Ltd	28,145	Carsales.com Ltd	27,373
Coles Group Ltd	25,788	Coles Group Ltd	24,934
Resmed Inc	24,608	Orica Ltd	23,655
Brambles Ltd	23,416	Washington H Soul Pattinson & Co Ltd	23,540
PEXA Group Ltd	20,415	Resmed Inc	23,017
Challenger Ltd	19,440	Link Administration Holdings Ltd	22,740
Reece Ltd	18,570	Challenger Ltd	20,520
Northern Star Resources Ltd	18,120	EVT Ltd	19,575
Macquarie Group	17,762	Brambles Ltd	17,403
Total top 25 investments	1,270,661	Total top 25 investments	1,212,051
Total investments at market value, net short-term receivables and cash	1,429,555	Total investments at market value, net short-term receivables and cash	1,383,696

Directors' Declaration

for the year ended 30 June 2023

1. In the opinion of the Directors of Australian United Investment Company Limited ("the Company"):
 - (a) The Financial Statements and Notes set out on pages 15 to 35, and the remuneration disclosures that are contained in the Remuneration Report on pages 12 and 13, are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of the Company as at 30 June 2023 and of its performance, as represented by the results of its operations and its cash flows, for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;
 - (b) The financial report also complies with International Financial Reporting Standards;
 - (c) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2023.

Signed in accordance with a resolution of the Directors.



Charles Goode
Chairman
16 August 2023

For personal use only

Independent Auditor's Report



Independent Auditor's Report

To the shareholders of Australian United Investment Company Limited

Report on the audit of the Financial Report

Opinion

We have audited the **Financial Report** of Australian United Investment Company Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Company's financial position as at 30 June 2023 and of its financial performance for the year ended on that date; and
- complying with Australian Accounting Standards and the Corporations Regulations 2001.

The **Financial Report** comprises:

- Balance Sheet as at 30 June 2023
- Statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended
- Notes including a summary of significant accounting policies
- Directors' Declaration

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report section of our report*.

We are independent of the Company in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

KPMG, an Australian partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation. Liability limited by a scheme approved under Professional Standards Legislation.

Independent Auditor's Report

Key Audit Matters

The **Key Audit Matters** we identified are:

- Valuation and existence of financial assets
- Completeness of the deferred tax liability

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation and existence of financial assets (\$1,418.3m)

Refer to Note 9 to the Financial Report

The key audit matter	How the matter was addressed in our audit
<p>The Company's investment portfolio consists of investments in listed securities, and in accordance with the Company's accounting policy, is accounted for at fair value through "Other Comprehensive Income".</p> <p>The Company outsources certain processes and controls relevant to (a) the recording and valuing of the investments and (b) maintaining custody and underlying records relevant to the investments.</p> <p>Valuation and existence of the financial assets is a key audit matter due to the:</p> <ul style="list-style-type: none"> • Size of the Company's investment portfolio. These financial assets represent 99% of the Company's total assets as at 30 June 2023; and • Importance of the performance of these investments in driving the Company's income and capital performance, as reported in the Financial Report. <p>As a result, this was an area which had the greatest effect on our overall audit strategy and allocation of time and resources in planning and completing our audit.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> • We assessed the appropriateness of the Company's accounting policies, including those relevant to the fair value of investments, against the requirements of the accounting standards; • Understanding the Company's processes in place to buy and sell securities in the investment portfolio, including assessing the controls over transactions, specifically director approval of investment purchases and sales; • We obtained and read the Company's GS007 (Guidance Statement 007 Audit Implications of the Use of Service Organisations for Investment Management Services) assurance report for the period from 1 July 2022 to 30 June 2023 to understand the processes and assess the controls relevant to the recording and valuing of the investments and to maintaining custody and underlying records of the Company's investments; • Testing the existence, being ownership and number of shares or units held in individual investments for the investment portfolio, through reconciliation to custodian records and obtaining external custody confirmations as at 30 June 2023; • We checked the valuation of the investments, as recorded in the general ledger, based on the number of shares or units held and the externally quoted market price from relevant stock exchanges on 30 June 2023; and • We assessed the disclosures in the financial statements, using our understanding obtained from our testing, against the requirements of the accounting standards.

For personal use only

Independent Auditor's Report

For personal use only

Completeness of the deferred tax liability (\$207.0m)	
Refer to Note 4 to the Financial Report	
The key audit matter	How the matter was addressed in our audit
<p>The completeness of the deferred tax liability is a key audit matter given it represents a significant portion of the total liabilities of the Company and involved the use of senior audit team members.</p> <p>The Company's deferred tax liability is \$207.0 million which constitutes 70% of the Company's total liabilities as at 30 June 2023.</p> <p>The deferred tax liability primarily relates to the expected tax on disposal of securities in the investment portfolio. This deferred tax liability is determined by the Company as the difference between the carrying amount of the investment portfolio as per the financial statements and the tax base of the individual investments, multiplied by the applicable company tax rate.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> • We assessed the appropriateness of the Company's accounting policies against the requirements of the accounting standards and our understanding of the business and industry practice; • We assessed the scope, competency and objectivity of the external expert engaged by the Company to assist in determining the Company's deferred tax liability; • Assessing the tax effects of significant events identified during the audit, such as investment fair value or tax base adjustments, for identification, calculation and recording in the Company's calculation of deferred tax liability for consistency, as applicable; • We recalculated the closing tax cost base of the Company's investment portfolio. We did this by obtaining the total purchases and sales of securities for the year stated at their tax cost base obtained from the Company's investment register, as tested by us in the "Valuation and existence of financial assets" key audit matter above. We added these to the opening balances of the Company's investment portfolio and compared this to the Company's closing tax cost base of the investment portfolio (after adjusting for transactions which affect the tax cost base such as deferred tax distributions). We then recalculated the deferred tax liability by multiplying the difference between the Company's closing accounting value of the investment portfolio and the closing tax cost base by the Company's tax rate and compared this to the deferred tax liability recorded by the Company; and • We assessed the disclosures in the financial statements, using our understanding obtained from our testing, against the requirements of the accounting standards.

Independent Auditor's Report

Other Information

Other Information is financial and non-financial information in Australian United Investment Company Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error
- assessing the Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf. This description forms part of our Auditor's Report.

For personal use only

Independent Auditor's Report

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Australian United Investment Company Limited for the year ended 30 June 2023 complies with *Section 300A* of the *Corporations Act 2001*.

Directors' responsibilities

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 responsibilities

We have audited the Remuneration Report included in the Directors' report for the year ended 30 June 2023.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.



A handwritten signature in black ink, appearing to read 'Chris Sargent'.

Chris Sargent

Partner

Melbourne

16 August 2023

For personal use only

Additional Information

Distribution of shareholders as at 31 July 2023

Category Holders	Ordinary Shares	%	No of Holders	%
1 – 1,000	536,808	0.42	1,441	26.73
1,001 – 5,000	5,132,637	4.06	1,924	35.70
5,001 – 10,000	6,730,974	5.33	928	17.22
10,001 – 100,000	24,684,167	19.54	1,049	19.46
100,001 and over	89,241,427	70.65	48	0.89
	126,326,013	100.00	5,390	100.00

There were 156 ordinary shareholders holding less than a marketable parcel (50 shares) at 31 July 2023.

Substantial Shareholders

The number of shares disclosed by the substantial shareholders and their associates in substantial shareholder notices received up to 31 July 2023 are set out below:

Shareholder	Ordinary Shares
The Ian Potter Foundation Limited	44,446,603
Argo Investments Limited	10,790,588
Lady Primrose Catherine Potter, Primrose Properties Pty Ltd and Decerna Pty Ltd	7,732,224

Voting Rights

All ordinary shares carry equal voting rights.

For personal use only

Additional Information

Top Twenty Shareholders

The number of shares held by the top twenty shareholders listed in the Company's register as at 31 July 2023 were:

Shareholder	Ordinary Shares	% Held
The Ian Potter Foundation Limited	51,824,774	41.02
Argo Investments Limited	10,790,588	8.54
Primrose Properties Pty Ltd	6,852,773	5.42
HSBC Custody Nominees (Australia) Limited	6,043,806	4.78
BNP Paribas Nominees Pty Ltd, HUB 24 Custodial Serv Ltd	2,353,938	1.86
Beta Gamma Pty Ltd	1,191,978	0.94
JP Morgan Nominees Australia Pty Limited	954,689	0.76
Lady Primrose Catherine Potter	850,289	0.67
Brownell Superannuation Pty Ltd	650,049	0.51
Decerna Pty Ltd	635,974	0.50
Invia Custodian Pty Limited	582,661	0.46
Alan Farrell Pty Limited	446,133	0.35
Mythia Pty Ltd	358,151	0.28
Willpower Investments Pty Ltd	292,000	0.23
Chabar Pty Ltd	278,662	0.22
VJ Bofinger Pty Ltd	278,129	0.22
Bitawarmmilk Pty Ltd	257,156	0.20
Mrs Carolyn Anne Parker Bowles	248,973	0.20
Mr Paul William Brotchie & Mr Kenneth Francis Wallace	241,136	0.19
The Manly Hotels Pty Limited	210,938	0.17
	85,342,797	67.56

Brokerage Paid

The amount of brokerage paid or charged to the Company during the financial year ended 30 June 2023 totalled \$248,605 (2022: \$313,717). No brokerage was paid to any stock or sharebroker, or any employee or nominee of any stock or sharebroker, who is an officer of the Company.

List of Investments

as at 30 June 2023

	2023			2022
	Market Value \$	Units Held	% of Portfolio	Units Held
Australian Equities				
Banks				
ANZ Group Holdings Ltd	62,831,500	2,650,000	4.4	2,450,000
Commonwealth Bank of Australia Ltd	130,351,000	1,300,000	9.1	1,300,000
National Australia Bank Ltd	30,325,500	1,150,000	2.1	1,150,000
Westpac Banking Corporation	46,948,000	2,200,000	3.3	2,200,000
Consumer				
Aristocrat Leisure Ltd	38,660,000	1,000,000	2.7	1,000,000
Carsales.com Ltd	39,303,000	1,650,000	2.7	1,488,462
Coles Group Ltd	25,788,000	1,400,000	1.8	1,400,000
Endeavour Group Ltd	-	-	-	1,500,000
EVT Ltd	17,610,000	1,500,000	1.2	1,500,000
News Corporation	-	-	-	200,000
Reece Ltd	18,570,000	1,000,000	1.4	700,000
Seek Ltd	17,376,000	800,000	1.2	800,000
The Lottery Corporation Ltd	15,390,000	3,000,000	1.1	3,000,000
Wesfarmers Ltd	69,076,000	1,400,000	4.8	1,400,000
Woolworths Group Ltd	39,730,000	1,000,000	2.8	1,000,000
Energy				
Origin Energy Ltd	16,820,000	2,000,000	1.2	2,000,000
Woodside Energy Group Ltd	79,212,000	2,300,000	5.5	2,299,999
Health Care				
CSL Ltd	117,886,500	425,000	8.2	425,000
Ramsay Health Care Ltd	28,145,000	500,000	2.0	500,000
Resmed Inc	24,607,500	750,000	1.7	750,000
Infrastructure and Utilities				
Atlas Arteria	-	-	-	6,000,000
Transurban Group	78,375,000	5,500,000	5.5	4,500,000
Industrials				
James Hardie Industries	7,950,000	200,000	0.6	-
Orica Ltd	-	-	-	1,500,000
Worley Ltd	31,580,000	2,000,000	2.2	2,000,000

Unless otherwise stated, the securities in this list are fully paid ordinary shares or stock units.

List of Investments

as at 30 June 2023

	2023			2022
	Market Value \$	Units Held	% of Portfolio	Units Held
Australian Equities (continued)				
Mining				
Alumina Ltd	11,080,000	8,000,000	0.8	8,000,000
BHP Group Ltd	121,473,000	2,700,000	8.5	2,700,000
Northern Star Resources Ltd	18,120,000	1,500,000	1.3	1,500,000
OZ Minerals Ltd	-	-	-	150,000
Rio Tinto Ltd	86,017,500	750,000	6.0	750,000
Other Financials				
Challenger Ltd	19,440,000	3,000,000	1.4	3,000,000
Diversified United Investment Ltd	70,848,000	14,400,000	5.0	14,400,000
Latitude Group Holdings Ltd	-	-	-	2,000,000
Link Administration Holdings Ltd	10,020,000	6,000,000	0.7	6,000,000
Macquarie Group Ltd	17,762,000	100,000	1.2	10,000
NextDC Ltd	14,152,500	1,125,000	1.0	750,000
Pendal Group Ltd	-	-	-	2,000,000
Perpetual Ltd	11,646,000	450,000	0.8	150,000
PEXA Group Ltd	20,415,000	1,500,000	1.4	700,000
Washington H Soul Pattinson & Company Ltd	31,780,000	1,000,000	2.2	1,000,000
Property				
Goodman Group	10,035,000	500,000	0.7	500,000
GPT Group	7,452,000	1,800,000	0.5	2,800,000
LendLease Group	-	-	-	1,500,000
Stockland Group	8,060,000	2,000,000	0.6	1,000,000
Transportation				
Brambles Ltd	23,416,250	1,625,000	1.6	1,625,000
Total Australian Equities	1,418,252,250		99.2	
Cash and net short-term receivables	11,302,773		0.8	
Total	1,429,555,023		100.0	

Unless otherwise stated, the securities in this list are fully paid ordinary shares or stock units.

For personal use only

This page left intentionally blank

For personal use only

This page left intentionally blank

For personal use only

This page left intentionally blank

For personal use only



**AUSTRALIAN UNITED INVESTMENT
COMPANY LIMITED**

ABN 37 004 268 679