



Australian United Investment Company Limited

APPENDIX 4D FOR THE HALF YEAR ENDED 31 DECEMBER 2021

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RESULTS FOR ANNOUNCEMENT TO THE MARKET

The reporting period is the **half year ended 31 December 2021** with the prior corresponding period being the half year ended 31 December 2020.

The report is based on audit reviewed financial statements. A copy of the auditor's review report can be found on page 16.

Results for announcement to the market

- Revenue from ordinary activities was \$29.8 million, a rise of 75.0% from the prior corresponding period.
- Profit after tax was \$27.0 million, up 91.3% from the prior corresponding period.
- Profit after tax for the period of \$27.0 million excludes net realised gains and losses which are transferred directly to the Realisation Reserve under the accounting standards.
- Profit after tax includes special dividends of \$1,880,000 after tax (prior corresponding period \$249,000). Excluding these items revenue rose 66.4%¹ and profit after tax rose 81.2%¹.
- Earnings per share based on profit after tax were 21.6 cents, an increase of 91.2% from the prior corresponding period. Excluding special dividends received, earnings per share rose 81.1% to 20.1 cents¹. The weighted average number of ordinary shares for the period rose 0.3% to 125,044,480 after taking into account the shares issued in the dividend re-investment plan.
- The interim dividend for the half year is 17.0 cents per share (17.0 cents prior corresponding period) fully franked payable on 18 March 2022. The record date for determining entitlement to the interim dividend is 24 February 2022.
- 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 25 February 2022.
- The net tangible asset backing per share based on the market valuation of investments was \$10.49 at 31 December 2021, compared to \$9.46 at the end of the prior corresponding period, an increase of 10.9%. 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.

¹ Additional non-IFRS information.

AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED

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18 February 2022

ASX Announcement

Financial Results and Dividend Announcement for the Half Year Ended 31 December 2021

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 2021 was \$26,995,000 (previous corresponding period: \$14,113,000).

Profit after tax includes special dividends of \$1,880,000 (previous corresponding period: \$249,000). Excluding these items profit after tax rose 81.2%¹.

Net profit has improved as a result of the broader recovery in dividend income seen throughout the market and significant dividends received from BHP and Rio Tinto following strong commodity prices.

Net realised gains on the investment portfolio after tax were \$1,400,000 (previous corresponding period: losses of \$10,845,000), which under accounting standards are transferred directly to the Realisation Reserve and are not included in Net Profit.

Earnings Per Share

Earnings per share based on the weighted average number of shares on issue for the half year were 21.6 cents per share compared to 11.3 cents for the previous corresponding period. Excluding special dividends, earnings per share rose 81.1% to 20.1 cents¹.

The weighted average number of ordinary shares for the half year rose 0.3% to 125,044,480 after taking into account the shares issued in the dividend reinvestment plan.

Dividends

The Directors declare an interim dividend of 17.0 cents per share fully franked at 30% to shareholders registered on 24 February 2022, to be paid on 18 March 2022. The comparable 2021 interim dividend was 17.0 cents per share fully franked at 30%.

¹ Additional non-IFRS information.

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 25 February 2022.

Asset Backing

The net tangible asset backing per share based on the market valuation of investments was \$10.49 at 31 December 2021 and \$9.94 at 31 January 2022. 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 \$8.81 at 31 December 2021 and \$8.42 at 31 January 2022.

Performance

The Company’s net asset backing accumulation performance for the six months to 31 December 2021 (assuming all dividends were reinvested) was a rise of 2.1%, compared to the rise of 3.8% 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.

Including the value of franking credits for shareholders who can fully utilise them, the Company’s accumulation return for the half year to 31 December 2021 was an increase of 2.8% compared to an increase of 4.6% in the S&P/ASX 200 Franking Credit Adjusted Total Return Index.

The Company’s relative performance for the half year was assisted by overweight allocations to Sydney Airport, Carsales and Event Hospitality, and underweight allocation to the Information Technology sector.

Relative performance was held back by overweight allocations to Rio Tinto, Washington Soul Pattinson and Transurban, and underweight allocation to the Utilities and Real Estate sectors.

Management Expense Ratio

At 31 December 2021, annualised operating expenses (excluding finance costs) were 0.10% of the average market value of the portfolio (previous corresponding period: 0.12%), reflecting the increased value in the share portfolio.

Portfolio

The Company made net investments during the half year of around \$40M financed by an increase in borrowings of \$30M and available cash of \$10M.

Portfolio turnover for the half year to 31 December 2021 was 3.2%. The largest additions to and sales from the portfolio for the half year were as follows:

Purchases		Sales	
Northern Star ⁽¹⁾	\$12.1M	Aurizon ⁽³⁾	\$15.7M
Worley ⁽¹⁾	\$10.7M	Invocare ⁽³⁾	\$11.9M
Aristocrat ⁽¹⁾	\$8.7M	Santos ⁽³⁾	\$6.8M
BHP ⁽¹⁾	\$7.6M	Napier Ports ⁽³⁾	\$6.0M
Ramsay Healthcare ⁽¹⁾	\$7.0M	Washington Soul Pattinson ⁽²⁾	\$5.4M

- (1) Additions to existing positions.
- (2) Partial disposal of holding.
- (3) Fully disposed of holding.

At 31 December bank facilities were \$170M drawn to \$165M and cash and short term receivables were \$5.9M.

Outlook

We are transitioning from an unreal environment of money creation, record low interest rates and negative real interest rates, large government deficits and asset inflation to a more “normal world” of 2% - 3% inflation, 2% - 3% interest rates and lower government deficits.

The transition to “normal conditions” can be uncomfortable and it also contains the risks of higher inflation and stagnation.

We are cautious on the outlook for the Australian share market this financial year as it is at historically high levels in an environment of broad economic growth but with worries in respect to inflation, interest rates, government deficits, COVID and geopolitical tensions.

We believe the AUI portfolio is well positioned for the environment described. The portfolio is conservatively positioned and has significant holdings in Resources and Banks which typically benefit from rising rates and inflation and is underweight high priced technology stocks.

Investment Portfolio

As at 31 December 2021 the twenty-five largest shareholdings of the company, at market values were:

Company	Market Value \$'000	% of Total Investments
1. Commonwealth Bank of Australia	131,300	8.9%
2. CSL Ltd	122,185	8.3%
3. BHP Group Ltd	91,300	6.2%
4. Transurban Group	85,684	5.8%
5. Wesfarmers Ltd	83,020	5.6%
6. Rio Tinto Ltd	75,083	5.1%
7. Diversified United Investment Ltd	74,592	5.0%
8. Australia & New Zealand Banking Group Ltd	67,399	4.6%
9. Westpac Banking Corporation	46,970	3.2%
10. Aristocrat Leisure Ltd	43,570	2.9%
11. Sydney Airport	43,400	2.9%
12. Atlas Arteria	41,520	2.8%
13. Woodside Petroleum Ltd	39,474	2.7%
14. Woolworths Ltd	38,010	2.6%
15. Ramsay Health Care Ltd	35,750	2.4%
16. Link Administration Holding Ltd	33,420	2.3%
17. National Australia Bank	33,166	2.2%
18. Carsales.Com Ltd	30,108	2.0%
19. Washington H Soul Pattinson & Co Ltd	29,610	2.0%
20. Resmed Inc.	26,835	1.8%
21. Seek Ltd	26,224	1.8%
22. Coles Group Ltd	25,116	1.7%
23. Event Hospitality and Entertainment Ltd	22,170	1.5%
24. Worley Ltd	21,260	1.4%
25. Orica Ltd	20,535	1.4%
	1,287,701	87.1%
Total Investments at Market Value, Net Short-Term Receivables and Cash	1,478,396	

AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED
(ABN 37 004 268 679)

INTERIM FINANCIAL REPORT
FOR THE SIX MONTHS ENDED 31 DECEMBER 2021

AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED

Directory

Directors

Charles B Goode AC - Chairman
Fred S Grimwade
Dion C Hershan
Wayne G Kent

Company Secretary

James A Pollard FGIA CA

Registered Office

Level 20
101 Collins Street
Melbourne VIC 3000
Tel: +61 3 9654 0499
Email: info@au.com.au

Website

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
Web: 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 2021

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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 2021 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:

Name	Period of Directorship
Charles B Goode AC (Chairman)	Appointed April 1990
Fred S Grimwade	Appointed March 2014
Dion C Hershan	Appointed April 2018
Wayne G Kent	Appointed November 2021

Review of Operations

Profit after income tax was \$26,995,000 for the six months ended 31 December 2021 (previous corresponding period: \$14,113,000). Special dividends received during this period were \$1,880,000 (previous corresponding period: \$249,000).

Earnings per share based on profit after tax was 21.6 cents (prior corresponding period: 11.3 cents). Excluding special dividends received, earnings per share increased 81.1% to 20.1 cents per share (prior corresponding period: 11.1 cents).

At 31 December 2021, annualised operating expenses (excluding finance costs) were 0.10% of the average market value of the portfolio (previous corresponding period: 0.12%).

Dividends

The Board has declared an interim dividend of 17.0 cents per share fully franked (previous corresponding period: 17.0 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 2021.

Rounding Off

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
18 February 2022



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 of Australian United Investment Company Limited for the half-year ended 31 December 2021 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.

A handwritten version of the KPMG logo, with the letters 'KPMG' in a stylized, cursive script.

KPMG

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

Chris Sargent
Partner

Melbourne
18 February 2022

AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED
Statement of Profit or Loss and Other Comprehensive Income
for the six months ended 31 December 2021

	Note	31 December 2021 \$'000	31 December 2020 \$'000
Revenue from investment portfolio		29,774	17,016
Administration and other expenses		(860)	(824)
Administration costs recovered		140	125
Finance expenses		(1,332)	(940)
Profit before income tax		27,722	15,377
Income tax expense	8	(727)	(1,264)
Profit		26,995	14,113
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss:</i>			
Revaluation of investment portfolio for the period		1,421	118,914
Provision for tax expense on revaluation of investment portfolio		(450)	(35,434)
Other comprehensive profit net of income tax		971	83,480
Total comprehensive profit		27,966	97,593
Basic and diluted earnings per share (cents)	4	21.6	11.3

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 14.

AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED

Balance Sheet as at 31 December 2021

	Note	31 December 2021 \$'000	30 June 2021 \$'000
Current assets			
Cash assets		4,713	5,215
Receivables		1,208	4,259
Current tax receivable		21	-
Other		491	114
Total current assets		6,433	9,588
Non-current assets			
Investment portfolio	7	1,472,476	1,433,061
Plant and equipment		28	28
Other		125	166
Total non-current assets		1,472,629	1,433,255
Total assets		1,479,062	1,442,843
Current liabilities			
Payables		1,113	933
Current tax payable		-	186
Borrowings – interest bearing	10	115,000	65,000
Total current liabilities		116,113	66,119
Non-current liabilities			
Payables		53	98
Provision for long service leave		7	6
Borrowings – interest bearing	10	50,000	70,000
Deferred tax liability	9	210,809	210,401
Total non-current liabilities		260,869	280,505
Total liabilities		376,982	346,624
Net assets		1,102,080	1,096,219
Equity			
Issued capital	6	452,905	451,268
Reserves		649,175	644,951
Total equity		1,102,080	1,096,219

The Balance Sheet is to be read in conjunction with the Condensed Notes to the Financial Statements set out on pages 10 to 14.

AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED

Statement of Changes in Equity for the six months ended 31 December 2021

	Issued Capital \$'000	Revaluation Reserve \$'000	Realisation Reserve \$'000	Retained Earnings \$'000	Total \$'000
As at 1 July 2020	448,411	328,297	15,078	141,377	933,163
Comprehensive income					
Revaluation of investment portfolio	-	118,914	-	-	118,914
Tax expense on revaluation	-	(35,434)	-	-	(35,434)
Net realised losses on investment portfolio	-	17,273	(17,273)	-	-
Tax benefit on net realised losses	-	(6,428)	6,428	-	-
Profit	-	-	-	14,113	14,113
	-	94,325	(10,845)	14,113	97,593
Transactions with shareholders					
Dividend reinvestment plan	1,486	-	-	-	1,486
Dividends paid	-	-	-	(23,678)	(23,678)
	1,486	-	-	(23,678)	(22,192)
As at 31 December 2020	449,897	422,622	4,233	131,812	1,008,564
	Issued Capital \$'000	Revaluation Reserve \$'000	Realisation Reserve \$'000	Retained Earnings \$'000	Total \$'000
As at 1 July 2021	451,268	511,028	(3,066)	136,989	1,096,219
Comprehensive Income					
Revaluation of investment portfolio	-	1,421	-	-	1,421
Tax expense on revaluation	-	(450)	-	-	(450)
Net realised gains on investment portfolio	-	(4,142)	4,142	-	-
Tax expense on net realised gains	-	2,742	(2,742)	-	-
Profit	-	-	-	26,995	26,995
	-	(429)	1,400	26,995	27,966
Transactions with shareholders					
Dividend reinvestment plan	1,637	-	-	-	1,637
Dividends paid	-	-	-	(23,742)	(23,742)
	1,637	-	-	(23,742)	(22,105)
As at 31 December 2021	452,905	510,599	(1,666)	140,242	1,102,080

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 14.

AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED

Statement of Cash Flows for the six months ended 31 December 2021

	Note	31 December 2021 \$'000	31 December 2020 \$'000
Cash flows from operating activities			
Interest received		7	32
Dividends and trust distributions received		32,790	17,069
Option premium income received		-	844
Finance costs paid		(1,200)	(990)
Administration and other expenses paid		(818)	(681)
Income taxes paid		(1,175)	(720)
Net cash flow from operating activities		29,604	15,554
Cash flows from investing activities			
Proceeds from sale of investments		47,002	45,916
Purchases of investments		(84,996)	(77,879)
Purchases of fixed assets		(7)	(11)
Net cash flow used in investing activities		(38,001)	(31,974)
Cash flows from financing activities			
Proceeds from borrowings		30,000	50,000
Repayment of borrowings		-	(15,000)
Dividends paid net of dividend reinvestment plan		(22,105)	(22,192)
Net cash flow from financing activities		7,895	12,808
Net decrease in cash held		(502)	(3,612)
Cash and cash equivalents at 1 July		5,215	18,578
Cash and cash equivalents at 31 December		4,713	14,966

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 14.

AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED

Condensed Notes to the Financial Statements for the six months ended 31 December 2021

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 2021 is available on the Company's website at 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 as at and for the year ended 30 June 2021.

This Interim Financial Report was approved by the Board of Directors on 18 February 2022.

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

3. Basis of preparation

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 as at and for the year ended 30 June 2021.

The Interim Financial Report is prepared on a going concern basis. AUI 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. The net deficiency of current assets over current liabilities for the period ended 31 December 2021 of \$109.7 million arises due to \$115 million of borrowing and Secured Finance facilities being due within 12 months. These facilities are expected to renew before expiry in July 2022. In addition, AUI has access to cash from its highly liquid equity portfolio should funds be required.

AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED

Notes to the Financial Statements for the six months ended 31 December 2021

4. Earnings per share

	31 December 2021 Cents	31 December 2020 Cents
Basic and diluted earnings per share	21.6	11.3
Earnings per share excluding special dividends	20.1	11.1

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

Special dividends of \$1,880,000 after tax were received for the half year ended 31 December 2021 (prior corresponding period: \$249,000).

The basic earnings per share for the half-year is calculated on a weighted average number of ordinary shares of 125,044,480 (previous corresponding period: 124,721,617) after taking into account the shares issued in the dividend reinvestment plan.

5. Dividends

	31 December 2021 \$'000	31 December 2020 \$'000
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Dividends recognised in the current year by the Company are:

Final fully franked dividend of 19.0 cents per share paid on 23 September 2021 (previous corresponding period: 19.0 cents per share fully franked)	23,742	23,678
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Since 31 December 2021, the Directors have declared the following dividend payable on 18 March 2022:

Interim dividend of 17.0 cents per share fully franked (previous corresponding period: 17.0 cents per share fully franked)	21,270	21,216
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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 2021.

AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED

Notes to the Financial Statements for the six months ended 31 December 2021

6. Issued capital

	31 December 2021 \$'000	30 June 2021 \$'000
125,119,005 ordinary fully paid shares (30 June 2021: 124,955,759)	452,905	451,268
Movements in issued capital:		
Balance at beginning of period	451,268	448,411
Shares issued		
- Dividend reinvestment plan ⁽¹⁾	1,637	2,857
	452,905	451,268

(1) In respect of the 2021 final dividend paid on 23 September 2021, 163,246 shares were issued at \$10.0201 each under the dividend reinvestment plan.

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.

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 31 December 2021, the Company's Level 1 investments totalled \$1,472,476,000 (30 June 2021: \$1,433,061,000) and it did not hold any Level 2 investments (30 June 2021: none).

Fixed interest borrowings

At 31 December 2021, the fair value of the Company's fixed interest rate borrowings was \$41,406,000 (30 June 2021: \$36,155,000) while the face value was \$40,000,000 (30 June 2021: \$35,000,000).

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

AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED

Notes to the Financial Statements for the six months ended 31 December 2021

8. Taxation

	31 December 2021 \$'000	31 December 2020 \$'000
Income tax and other adjustments		
Prior year over / (under) provision on deferred tax	47	(492)
Deferred tax adjustments	43	167
Current income tax expense	(817)	(939)
Tax expense attributable to profit	(727)	(1,264)

9. Deferred Tax Assets and Liabilities

	31 December 2021 \$'000	30 June 2021 \$'000
Revaluation reserve – Provision for tax on unrealised gains on the equity investment portfolio	223,746	226,038
Tax effect of sundry items	(40)	48
Tax benefit of capital losses carried forward	(12,897)	(15,685)
Net deferred tax liabilities	210,809	210,401

10. Borrowings Drawn

	31 December 2021 \$'000	30 June 2021 \$'000
Current		
Loan facilities drawn – Secured	115,000	65,000
Non-current		
Loan facilities drawn – Secured	50,000	70,000
	165,000	135,000

The total face value of the drawn facilities as at period end was \$165 million (30 June 2021: \$135 million). The liabilities are recorded at the face value of the amount drawn and accrued interest.

At 31 December 2021 the market value of investments secured against the loan facilities was \$577 million (30 June 2021: \$611 million).

AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED

Notes to the Financial Statements for the six months ended 31 December 2021

11. Segment Reporting

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

12. Contingent Liabilities and Capital Commitments

There were no contingent liabilities or capital commitments as at 31 December 2021.

13. Related Parties

All arrangements with related parties are consistent with those disclosed in the Annual Financial Report as at and for the year ended 30 June 2021.

14. 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 14, 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 2021 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.

Signed in accordance with a resolution of the Directors.

Charles Goode
Chairman
18 February 2022



Independent Auditor's Review Report

To the shareholders of Australian United Investment Company Limited

Report on the Interim Financial Report

Conclusion

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

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 Limited does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the Company's financial position as at 31 December 2021 and of its performance for the six months ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Interim Financial Report** comprises:

- Balance sheet as at 31 December 2021
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity and Consolidated statement of cash flows for the six months ended on that date
- Notes 1 to 14 comprising a summary of significant accounting policies and other explanatory information
- The Directors' Declaration.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Company in accordance with the auditor independence requirements of 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.



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*
- such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2021 and its performance for the six months ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an Interim Financial Report 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.

KPMG

Chris Sargent
Partner

Melbourne

18 February 2022