MILTON CORPORATION LIMITED

ABN 18 000 041 421

APPENDIX 4E PRELIMINARY FINAL REPORT
RESULTS FOR ANNOUNCEMENT TO THE MARKET
YEAR ENDED 30 JUNE 2010

(Comparative figures being for the year ended 30 June 2009)

			$'000
Revenue:			
Operating revenue	down 7.4%	to	72,305
Special investment revenue	up 187.6%	to	2,536
Revenue from realised gains on investments	up 283.8%	to	2,993
Profits:			
Operating profit after tax but before special investment revenue, acquisition costs and realised gains and losses	down 6.5%	to	68,851
Special investment revenue after tax	up 187.4%	to	2,488
Net realised gains on investments after tax	up 217.4%	to	2,161
Acquisition costs after tax			(401)
Net profit for the year attributable to shareholders	up 5.3%	to	73,099
Earnings per share:			Cents
Basic and diluted earnings per share including after tax special investment revenue, acquisition costs and realised gains and losses	down 2.4%	to	78.2
Basic and diluted earnings per share based on operating profit before special investment revenue, acquisition costs and realised gains and losses	down 13.3%	to	73.7
Dividends per ordinary share:			
Interim fully franked dividend	down 18.6%	to	35
Final fully franked dividend *	up 2.9%	to	36
Total ordinary fully franked dividends	down 9.0%	to	71

* Final dividend includes LIC capital gain dividend of 2 cents per share (2009: nil)

Record date of the final dividend is 18 August 2010

Payment date is 1 September 2010

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

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

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

MILTON CORPORATION LIMITED

ABN 18 000 041 421

Level 2
50 Pitt Street
Sydney NSW 2000

PO Box R1836
Royal Exchange NSW 1225

Telephone: (02) 8006 5357
Facsimile: (02) 9251 7033
Email: general@milton.com.au
Website: www.milton.com.au
ASX code: MLT
Share Registry Enquiries: 1800 641 024

ASX+MEDIA RELEASE **29 JULY 2010**

RESULTS FOR THE YEAR ENDED 30 JUNE 2010

Milton Corporation Limited reported its Underlying Operating Profit after Tax(1) for the year to 30 June 2010 was $68.8 million (2009: $73.6 million).

Milton's managing director, Mr Frank Gooch said, "Whilst we are disappointed that the full year result is lower than the prior year, we are pleased to note that dividend income received in the second half of the year did show signs of improvement. Underlying operating profit and earnings per share for the second half of the 2010 year were greater than those of the second half of the 2009 year. This stronger second half result has enabled the fully franked final dividend to be increased to 36 cents per share."

Dividend and trust distribution income for the year to 30 June 2010 amounted to $64.2 million, which was 9.1% lower than the prior year.

Rising interest rates throughout the year provided a boost to net interest income, which was increased to $5.3 million for the 2010 year.

Underlying Operating Profit after Tax(1) also benefitted from the additional income earned on the investment portfolios and cash acquired through the acquisitions of unlisted investment companies in February 2010 and the funds raised through the share purchase plan in October 2009.

The weighted average earnings per share, based on Underlying Operating Profit after Tax(1), of 73.7 cents was 13.3% lower than the 2009 financial year.

The final fully franked dividend of 36 cents per share, to be paid on 1 September 2010, includes a LIC capital gain component of 2 cents per share which gives rise to an "attributable part" of 2.86 cents per share. Eligible shareholders will be able to claim a tax deduction in their tax return for the 2011 financial year.

Net profit after tax was $73.1 million for the year ended 30 June 2010. It included special dividends of $2.5 million (2009: $0.8 million), net realised gains from the disposal of investments of $2.2 million (2009: losses of $1.8 million) and costs of $0.4 million relating to the acquisition of the unlisted investment companies.

Following the adoption of the Australian Accounting Standard AASB 9 there were no impairment charges in the 2010 year and Milton was required to restate impairment charges for the prior year to $3.2 million from the previously reported $22.6 million

Milton's realised gains from the takeover of Lion Nathan were partially offset by losses realised from the disposal of investments that no longer met with Milton's investment criteria.

Milton invested $55 million during the year and in February 2010 it acquired unlisted investment companies with a total portfolio value of $69 million. The larger additions to the portfolio over the year were ANZ, BHP Billiton, Campbell Brothers, Commonwealth Bank, Rio Tinto and Telstra.

The value of Milton's total assets at 30 June 2010 was $1.6 billion. These assets were comprised of the long term equity investments of $1.45 billion, cash and other liquid assets of $0.12 billion and other assets of $0.03 billion.

The net asset backing, before provision for tax on unrealised capital gains, at 30 June 2010 was $16.51 per share, compared with $15.11 per share one year earlier.

Milton's Total Portfolio Return (TPR), for the ten years to 30 June 2010, was 10.2% per annum compounded. The TPR is after payment of all administration costs and the payment of tax. The All Ordinaries Accumulation Return for the same period was 7.1% per annum compounded.

The directors have determined to defer the offering of the Share Purchase Plan to shareholders at this point in time. The company's capital requirements will continue to be monitored and an offer of shares under the Share Purchase Plan will be made at the appropriate time.

Chairman of Milton, Mr. Millner said, "We are optimistic that the trend towards improved dividend income that was observed in the six months to 30 June 2010 will continue in the 2011 year. There are, however, many factors that may affect this outcome. We will be in a better position to comment on the outlook at the company's annual general meeting on 7 October 2010 by which time most of the companies in the Milton portfolio will have reported their full year results and final dividends."

"Milton's objective is to provide shareholders with a growing fully franked ordinary dividend income stream and as the company's underlying profit improves we would expect to increase the dividends paid to shareholders," Mr Millner added.

(1) Underlying Operating Profit after Tax is Net Profit after Tax but before special investment revenue after tax, capital gains and losses on the investment portfolio and acquisition costs of unlisted companies

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ISSUED FOR:	**MILTON CORPORATION LIMITED**
FOR FURTHER INFORMATION	**MR FRANK GOOCH, MANAGING DIRECTOR** **MILTON CORPORATION LIMITED** **TEL: (02) 9993 0782 MOBILE: 0414 675 748**

BACKGROUND

Milton is a listed investment company that was incorporated in 1938.

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

Milton operates with an internal management structure and does not have an external manager. Hence the administration costs as a percentage of total assets remains low when compared to many externally managed entities.

Milton's management expense ratio (MER) at 30 June 2010 was 0.17 % p.a.

MILTON'S TOTAL RETURNS

For the period ended 30 June 2010	TSR[1] % p.a	TPR[2] % p.a.	All Ordinaries Accumulation Index % p.a.
10 years	10.7	10.2	7.1
5 years	4.0	4.1	4.7
3 years	(6.5)	(6.7)	(8.0)
1 year	14.7	13.7	13.8
(1) Total Shareholder Return (TSR) - Share price movement with dividends reinvested			
(2) Total Portfolio Return (TPR) - Net asset backing movement with dividends reinvested			
TPR is calculated after deducting all expenses, including income tax, and after allowing for tax paid on realised capital gains. This tends to understate the TPR when compared with Accumulation Index which is not affected by expenses or tax.			

MILTON'S INVESTMENT PROFILE

The 20 largest investments at 30 June 2010 are set out below.

COMPANY	MARKET VALUE $'000		COMPANY	MARKET VALUE $'000
Westpac Banking Corporation	186,178		Bendigo & Adelaide Bank	37,846
Commonwealth Bank	109,330		Woodside Petroleum	29,023
BHP Billiton	83,683		Rio Tinto	28,836
National Australia Bank	67,989		Brickworks	25,890
Washington H Soul Pattinson	62,719		Telstra Corporation	25,883
Wesfarmers	57,222		AGL Energy	19,990
Woolworths	53,944		CSL	19,029
ANZ Banking Group	51,662		Suncorp-Metway	18,810
Choiseul Investments	51,109		QBE Insurance	18,539
Campbell Bros	49,713		Total market value of Top 20	1,047,055
Bank of Queensland	49,660		Total Assets	1,605,061

CLASSIFICATION OF ASSETS

The following table shows assets at 30 June 2010 classified by Global Industry Classification Standard ("GICS") as adopted by the ASX.

CLASSIFICATION	TOTAL ASSETS %		CLASSIFICATION	TOTAL ASSETS %
Banks	31.8		Consumer discretionary	3.0
Materials	11.7		Real estate	2.2
Diversified financials	11.5		Other securities	5.7
Consumer staples	9.4		Total securities	90.5
Industrials	8.0		Cash & liquid assets	6.3
Insurance	3.8		Other assets	3.2
Energy	3.4		Total	100.0

Milton Corporation Limited
Consolidated income statement
for the year ended 30 June 2010

	Note	2010 $'000	2009 $'000 restated
Operating revenue	2a	**72,305**	78,092
Share of net profits of joint ventures – equity accounted	20b	**3,689**	2,185
Administration expenses	3	**(2,827)**	(3,010)
Finance costs		**-**	(221)
Operating profit before income tax expense, special investment revenue, acquisition costs and realised gains and losses		**73,167**	77,046
Income tax expense thereon*	4a	**(4,316)**	(3,422)
Operating profit before special investment revenue, acquisition costs and realised gains and losses		**68,851**	73,624
Special investment revenue before tax	2b	**2,536**	882
Income tax expense thereon*	4b	**(48)**	(16)
		2,488	866
Acquisition costs before tax		**(573)**	-
Income tax benefit thereon*		**172**	-
		(401)	-
Operating profit before realised gains and losses		**70,938**	74,490
Realised gains (losses) on investments before tax [1]		**2,993**	(1,629)
Income tax expense thereon*	4c	**(832)**	(212)
Net realised gains (losses) on investments		**2,161**	(1,841)
Impairment losses before tax [1]		-	(4,655)
Income tax benefit thereon*	4d	-	1,429
		-	(3,226)
Profit attributable to shareholders of Milton		**73,099**	69,423
*Total income tax expense		**(5,024)**	(2,221)

[1] Investments sold before 31 December 2009 refer note 1a.

	Note	2010	2009
Basic and diluted earnings per share based on profit attributable to shareholders of Milton (cents)	8	**78.2**	80.1
Basic and diluted earnings per share based on operating profit before special investment revenue, acquisition costs and realised gains and losses (cents)	8	**73.7**	85.0

The consolidated income statement is to be read in conjunction with the notes to the financial statements.

Milton Corporation Limited
Consolidated statement of comprehensive income
for the year ended 30 June 2010

	2010 $'000	2009 $'000 restated
Profit attributable to shareholders of Milton	**73,099**	69,423
Other comprehensive income		
Revaluation (devaluation) of investments	**121,296**	(326,605)
Provision for tax (expense) benefit on revaluation (devaluation) of investments	**(37,023)**	95,708
Net realised (gains)losses on investments transferred to the income statement from the asset revaluation reserve	**(2,161)**	1,841
Net impairment losses transferred to the income statement from the asset revaluation reserve	-	3,226
Other comprehensive income (loss) net of income tax	**82,112**	(225,830)
Total comprehensive income (loss) attributable to shareholders of Milton	**155,211**	(156,407)

The consolidated statement of comprehensive income is to be read in conjunction with the notes to the financial statements.

Milton Corporation Limited
Consolidated statement of financial position
as at 30 June 2010

	Note	2010	2009
		$'000	$'000
Current assets			restated
Cash	9	**100,637**	66,503
Receivables	10a	**13,224**	14,224
Other financial assets	11	**16,671**	15,609
Total current assets		**130,532**	96,336
Non-current assets			
Receivables	10b	**3,700**	2,827
Investments	12	**1,453,150**	1,225,868
Joint ventures – equity accounted	20c	**16,646**	14,203
Plant and equipment		**125**	127
Deferred tax assets	13	**908**	1,184
Total non-current assets		**1,474,529**	1,244,209
Total assets		**1,605,061**	1,340,545
Current liabilities			
Payables		**303**	1,163
Current tax liabilities		**1,183**	682
Provisions		**95**	215
Total current liabilities		**1,581**	2,060
Non-current liabilities			
Deferred tax liabilities	14	**130,757**	94,370
Provisions		**415**	392
Total non-current liabilities		**131,172**	94,762
Total liabilities		**132,753**	96,822
Net assets		**1,472,308**	1,243,723
Shareholder's equity			
Issued capital	15	**963,192**	826,141
Capital profits reserve		**70,080**	72,545
Asset revaluation reserve		**318,373**	233,956
Retained profits		**120,663**	111,081
Total equity attributable to shareholders of Milton		**1,472,308**	1,243,723
Net tangible assets per share before provision for tax on unrealised capital gains and net of tax on realised capital losses		**$16.51**	$15.04
Net tangible assets per share after provision for tax on unrealised capital gains and net of tax on realised capital losses		**$15.17**	$13.98

The consolidated statement of financial position is to be read in conjunction with the notes to the financial statements.

Milton Corporation Limited
Consolidated statement of changes in equity
for the year ended 30 June 2010

	Issued capital $'000	Capital profits reserve $'000	Asset revaluation reserve $'000	Retained profits $'000	Total shareholder's equity $'000
Balance at 1 July 2009 (restated)	**826,141**	**72,545**	**233,956**	**111,081**	**1,243,723**
Net profit				**73,099**	**73,099**
Other Comprehensive Income:					
Net realised gains			**(2,161)**		**(2,161)**
Net revaluation of investments			**84,273**		**84,273**
Total comprehensive income			**82,112**	**73,099**	**155,211**
Net realised gains/losses transferred to capital profits reserve		**(160)**		**160**	
Transfer to asset revaluation reserve		**(2,305)**	**2,305**		
Transactions with shareholders in their capacity as shareholders:					
Share issues	**137,051**				**137,051**
Dividends paid				**(63,677)**	**(63,677)**
Balance at 30 June 2010	**963,192**	**70,080**	**318,373**	**120,663**	**1,472,308**

	Issued capital $'000	Capital profits reserve $'000	Asset revaluation reserve $'000	Retained profits $'000	Total shareholder's equity $'000
Balance at 1 July 2008	763,770	85,091	460,134	110,317	1,419,312
Net profit (restated)				69,423	69,423
Other Comprehensive Income:					
Net realised losses			1,841		1,841
Net impairment losses (restated)			3,226		3,226
Net devaluation of investments			(230,897)		(230,897)
Total comprehensive income			(225,830)	69,423	(156,407)
Net realised gains/losses transferred to capital profits reserve		(2,747)		2,747	
Transfer from asset revaluation reserve		348	(348)		
Transactions with shareholders in their capacity as shareholders:					
Share issues	62,371				62,371
LIC dividends paid		(10,147)			(10,147)
Dividends paid				(71,406)	(71,406)
Balance at 30 June 2009 (restated)	826,141	72,545	233,956	111,081	1,243,723

The consolidated statement of changes in equity is to be read in conjunction with the notes to the financial statements.

Milton Corporation Limited
Consolidated statement of cash flows
for the year ended 30 June 2010

	Note	**2010**	2009
		$'000	$'000
Cash flows from operating activities			
Dividends and distributions received		**65,606**	78,719
Interest received		**4,823**	4,629
Distributions received from joint venture entities		**2,350**	833
Other receipts in the course of operations		**697**	657
Proceeds from sales of trading securities		**9,909**	5,327
Payments for trading securities		**(8,670)**	(4,527)
Finance costs paid		**-**	(252)
Other payments in the course of operations		**(3,759)**	(3,104)
Income taxes paid		**(3,522)**	(10,012)
Net cash provided by operating activities	19a	**67,434**	72,270
Cash flows from investing activities			
Proceeds from disposal of investments		**16,722**	11,611
Payments for investments		**(54,784)**	(24,140)
Cash on acquisition of subsidiaries		**4,464**	9,398
Payments for acquisitions of subsidiaries		**(573)**	(380)
Payments for plant and equipment		**(21)**	(64)
Loans repaid by other entities		**1,069**	1,820
Net cash used in investing activities		**(33,123)**	(1,755)
Cash flows from financing activities			
Proceeds from issue of shares		**63,578**	15,564
Payments for issue of shares		**(139)**	(62)
Proceeds from borrowings		**61**	**-**
Repayment of borrowings		**-**	(3,304)
Ordinary dividends paid		**(63,677)**	(74,788)
Special dividend paid		**-**	(6,765)
Net cash used in financing activities		**(177)**	(69,355)
Net increase in cash assets held		**34,134**	1,160
Cash assets at the beginning of the year		**66,503**	65,343
Cash assets at the end of the year	9	**100,637**	66,503

The consolidated statement of cash flows is to be read in conjunction with the notes to the financial statements.

1. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements include the consolidated entity ("Milton") consisting of Milton Corporation Limited and its subsidiaries. In accordance with the Corporations Amendment (Corporate Reporting Reform) Act 2010, parent entity columns are no longer required to be presented in the consolidated financial statements with summarised parent entity financial information to be provided in a note as disclosed in note 21.

a. Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and the Corporations Act 2001.

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

The financial statements are presented in Australian dollars and all values are rounded to the nearest thousand dollars ($'000) unless otherwise stated under the option available in ASIC Class Order 98/100.

Milton has adopted AASB 3 - Business Combinations for business combinations occurring in the financial year starting 1 July 2009. In accordance with AASB 3 all acquisition related costs have been expensed as incurred and are shown on the consolidated income statement. Previously these costs were capitalised. AASB 101 – Presentation of Financial Statements has been adopted from 1 July 2009. This standard requires the presentation of a new Statement of Comprehensive Income which includes changes in fair value of investments as noted below. The adoption of this standard does not change the net assets and net profit of Milton.

During the year accounting standard, AASB 9 – Financial Instruments was early adopted as noted below.

AASB 9 - Financial instruments

Milton has elected to early adopt "AASB 9 - Financial Instruments", which was issued on 7 December 2009. AASB 9 includes requirements for the classification and measurement of financial assets. These requirements improve and simplify the approach for the classification and measurement of financial assets compared with the requirements of AASB 139.

Investments in equity instruments, which were previously classified as available for sale financial assets, are now classified as equity instruments revalued through other comprehensive income. They continue to be valued at fair value with changes in value being recognised in the asset revaluation reserve. Consequently adoption of AASB 9 has no effect on the valuation of Milton's net assets or total comprehensive income.

Under AASB 9 there is no recycling of the realised gains and losses to the income statement as was previously required by AASB 139. There is also no requirement to test Milton's investments for impairment so there is no transfer of unrealised impairment losses from the asset revaluation reserve to the income statement.

The transition provisions within AASB 9 require the standard to be applied retrospectively but it shall not be applied to investments that were disposed of prior to the initial application date. Milton has adopted AASB 9 with effect from 31 December 2009 so that all disposals in the half-year to 31 December 2009 could be accounted for consistently. Comparatives at 30 June 2009 have been restated as disclosed below to remove the effect of the impairment provisions of AASB 139, but only for those assets that had not been disposed of prior to 31 December 2009.

Accounting standards require restated items to be presented at the beginning of the earliest comparative period, however, as the impairment charge was first applied during the year ended 30 June 2009 there was no change to the statement of financial position as at 30 June 2008.

1. Summary of significant accounting policies (continued)

a. Basis of preparation (continued)

Consolidated statement of financial position, consolidated income statement and consolidated statement of comprehensive income items, other than those mentioned below, were not affected by the retrospective adoption of AASB 9.

	Balance previously reported 30 June 2009 $'000	Impairment losses reversed Increase(decrease) $'000	Balance restated 30 June 2009 $'000
Asset revaluation reserve	253,376	(19,420)	233,956
Retained profits	91,661	19,420	111,081

The effect of adoption of AASB 9 on profit reported in 2009 is as follows;

	Profit previously reported 30 June 2009 $'000	Impairment losses reversed Increase(decrease) $'000	Profit restated 30 June 2009 $'000
Profit before realised gains and losses	74,490		74,490
Net realised (losses) gains on investments	(1,841)		(1,841)
Impairment losses	(22,646)	(19,420)	(3,226)
Profit attributable to shareholders of Milton	50,003	19,420	69,423

Basic and diluted earnings per share based on profit attributable to shareholders of Milton increased by 22.4 cents from 57.7 cents to 80.1 cents.

b. Basis of consolidation

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

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

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

c. Income tax

The income tax expense is the tax payable on the current year's taxable income based on the income tax rate enacted adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax is recognised using the balance sheet method.

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

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

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

1. Summary of significant accounting policies (continued)

c. Income tax (continued)

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

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

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

d. Cash

Cash includes cash at bank, deposits at call and term deposits, and are recognised initially at fair value and subsequently measured at amortised cost.

Interest from deposits and bank accounts is brought to account on an accruals basis as it is earned.

e. Trading securities

Trading securities are recognised initially at cost and subsequently measured at fair value.

Changes in fair value are taken directly through the income statement.

Dividends are brought to account on the date that the shares are traded "ex-dividend".

f. Other liquid securities

Other liquid securities include listed securities such as reset preference shares which are classified as equity instruments and may be realised within 12 months.

Other liquid securities are recognised initially at cost and Milton has elected to present subsequent changes in fair value in other comprehensive income through the asset revaluation reserve after deducting a provision for the potential deferred capital gains tax liability.

On disposal, the cumulative gain or loss net of tax thereon, is transferred from the asset revaluation reserve to the capital profits reserve.

Distribution income from these securities are brought to account on the day that these securities trade “ex-dividend”.

g. Investments

Subsidiaries

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

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

Other companies

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

Quoted investments are valued continuously at fair value, which is the price quoted on the Australian Securities Exchange.

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

Dividends and distributions are brought to account on the date that the investment trades "ex-dividend".

Ordinary dividends and ordinary trust distributions are included in operating revenue.

1. Summary of significant accounting policies (continued)

g. Investments (continued)

Special dividends and special trust distributions are included in special investment revenue as this revenue is of an irregular nature.

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

h. Employee benefits

The provision for employee entitlements relates to amounts expected to be paid to employees for long service leave and annual leave (including on-costs) and is based on legal and contractual entitlements and assessments having regard to experience in relation to staff departures and leave utilisation. Employees are not paid on termination for untaken sick leave.

Under the Employee Share Plan, shares are acquired for employees as part of their remuneration and the cost of the shares is recorded in employee benefit expenses (refer note 18a).

Under the Senior Staff Share Plan, shares are acquired for eligible employees as part of their remuneration and held on their behalf by the trustee of the Plan. The purchase of the Plan Shares is financed by a loan from Milton (refer note 18b).

i. Operating segments

The consolidated entity operates in Australia only and the principal activity is investment.

j. Critical accounting estimates and judgments

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

Deferred tax liabilities have been recognised for capital gains tax on the unrealised gain in the investment portfolio at current tax rates.

As Milton does not intend to dispose of the investment portfolio this tax may not be payable at the amount disclosed in note 14. Any tax liability that may arise on disposal of investments is subject to tax legislation relating to the treatment of capital gains and the applicable tax rate at the time of disposal.

Deferred tax assets have been recognised relating to carried forward capital losses, based on current tax rates. Utilisation of the tax losses requires the realisation of capital gains in subsequent years and the ability to satisfy certain tests at the time the losses are recouped. The deferred tax assets related to carried forward capital losses have been offset against the related deferred tax liability as disclosed in note 14.

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

k. New standards and interpretations not yet adopted

No new accounting standards and interpretations, that are available for early adoption at 30 June 2010, but not yet adopted, will result in any material change in relation to the financial statements.

		2010	2009
		$'000	$'000
2.	**Revenue**		
a.	**Operating revenue**		
	Dividends and distributions:		
	investments held in portfolio at 30 June	**64,238**	70,693
	investments sold during the year	**26**	745
	Interest	**5,269**	4,891
	Net realised gains on trading portfolio	**2,083**	1,059
	Other revenue	**689**	704
		72,305	78,092
b.	**Special investment revenue**		
	Dividends and distributions:		
	investments held in portfolio at 30 June	**2,185**	882
	investments sold during the year	**351**	-
		2,536	882
3.	**Administration expenses**		
	Employment and administration	**2,661**	2,869
	Occupancy	**143**	106
	Depreciation	**23**	35
		2,827	3,010
4.	**Income tax expense**		
a.	**Operating profit**		
	Prima facie income tax expense calculated at 30% on the profit before special investment revenue, acquisition costs and realised gains and losses	**22,539**	23,114
	Increase (decrease) in income tax expense due to:		
	Rebates on dividend and distribution income	**(18,201)**	(19,602)
	Overprovision in prior year	**(146)**	(100)
	Other differences	**124**	10
	Income tax expense attributable to operating profit before special investment revenue, acquisition costs and realised gains and losses	**4,316**	3,422
b.	**Special investment revenue**		
	Prima facie income tax expense calculated at 30% on special investment revenue	**761**	264
	Rebates on dividend and distribution income	**(713)**	(248)
	Income tax expense attributable to special investment revenue	**48**	16
c.	**Realised gains and losses on investments**		
	Prima facie income tax expense (benefit) calculated at 30% on realised gains (losses) on investments	**898**	(488)
	Tax effected difference between accounting and tax cost base for capital gains purposes	**(66)**	700
	Income tax expense attributable to realised gains and losses on investments	**832**	212

		2010	2009
4.	**Income tax expense (continued)**	**$'000**	$'000
d.	**Impairment losses**		
	Prima facie income tax (benefit) calculated at 30% on impairment losses	**-**	(1,396)
	Tax effected difference between accounting and tax cost base for capital gains purposes	**-**	(33)
	Income tax (benefit) attributable to impairment losses	**-**	(1,429)
5.	**Auditor's remuneration**		
	Audit services	**96**	100
	Liquidation of non-operating subsidiaries	**10**	21
	Acquisitions – due diligence costs	**21**	14
	Other services	**9**	2
		136	137
6.	**Ordinary fully franked dividends**		
a.	**Recognised in the current year**		
	A final dividend in respect of the 2009 year of 35 cents per share paid on 11 September 2009 (2009: A final dividend in respect of the 2008 year of 45 cents per share paid on 3 September 2008)	**31,147**	38,052
	(2009: a special dividend in respect of the 2008 year of 8 cents per share paid on 3 September 2008)	**-**	6,765
	An interim dividend of 35 cents per share paid on 3 March 2010 (2009: 43 cents per share paid on 3 March 2009)	**32,530**	36,736
		63,677	81,553
b.	**Not recognised in the current year**		
	Since the end of the financial year, the directors declared a fully franked ordinary final dividend of 36 cents per share payable on 1 September 2010 (2009: ordinary 35 cents per share paid on 11 September 2009)	**34,947**	31,147
c.	**Dividend franking accounts**		
	The amount of franking credits available to shareholders for the subsequent financial year, adjusted for franking credits that will arise from the payment of the current tax liability	**91,211**	80,706
	Subsequent to year end, the franking account will be reduced by the proposed final ordinary (2009: final ordinary dividend) to be paid on 1 September 2010	**(14,977)**	(13,348)
		76,234	67,358

The franking account balance would allow Milton to frank additional dividend payments up to an amount of $177,879,000 (2009: $157,168,000) which represents 183 cents per share (2009: 176 cents per share).

7.	**Listed Investment Company capital gain account**		
	Balance of the Listed Investment Company (LIC) capital gain account	**2,685**	2,646
	Subsequent to year end, this account would be reduced by the proposed final dividend which includes a LIC capital gain dividend of 2 cents per share to be paid on 1 September 2010.	**(1,941)**	-
		744	2,646

(2009: A LIC capital gain dividend of 12 cents per share was included in the final dividend paid on 3 September 2008).

Distributed LIC capital gains may entitle certain shareholders to a special deduction in their income tax return. LIC capital gains available for distribution are dependent upon the disposal of investment portfolio holdings which qualify for LIC capital gains and the receipt of LIC capital gain distributions.

		2010 cents	2009 cents
8.	**Earnings per share**		
	Basic earnings per share	**78.2**	80.1
	Basic earnings per share before special investment revenue, acquisition costs and realised gains and losses	**73.7**	85.0
		$'000	$'000
	Profit attributable to shareholders of the parent entity	**73,099**	69,423
	Special investment revenue, acquisition costs, realised gains and losses and impairment losses	**(4,248)**	4,201
	Earnings used in the calculation of basic earnings per share excluding special investment revenue, acquisition costs and realised gains and losses	**68,851**	73,624
		No.	No.
	Weighted average number of ordinary shares used in the calculation of basic earnings per share	**93,458,216**	86,659,837

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

		$'000	$'000
9.	**Cash**		
	Cash at bank	**1,022**	899
	Deposits at call	**9,615**	16,704
	Term deposits	**90,000**	48,900
		100,637	66,503

The weighted average interest rate for cash as at 30 June 2010 is 5.6% p.a. (2009: 3.6% p.a.). Term deposits have an average maturity date of August 2010 (2009: August 2009) and an average interest rate of 5.7% (2009: 3.8% pa).

10.	**Receivables**		
a.	**Receivables – current**		
	Loans receivable – secured	**-**	1,944
	Income receivable	**13,024**	10,907
	Sundry debtors	**200**	1,373
		13,224	14,224
b.	**Receivables – non-current**		
	Loans receivable – secured	**973**	-
	Senior staff share plan loans	**2,727**	2,827
		3,700	2,827

c. **Terms and conditions**

Loans receivable – secured by real property - all due within 13 months (2009: due within 1 year), with a fixed interest rate of 8.0% p.a. (2009: 8.0% p.a. to 10.75% p.a.). Sundry debtors are due within 30 days and no interest is charged.

		2010	2009
		$'000	$'000
11.	**Other financial assets**		
	Other liquid securities - at fair value	**15,753**	14,905
	Trading securities - at fair value	**826**	615
	Prepaid expenses	**92**	89
		16,671	15,609
12.	**Investments – non-current**		
	Quoted investments - at fair value	**1,452,758**	1,215,956
	Unquoted investments - at fair value	**392**	9,912
		1,453,150	1,225,868
a.	**Included in quoted investments are:**		
	Shares in other corporations	**1,405,070**	1,150,127
	Stapled securities in other corporations	**25,601**	23,114
	Units in trusts	**22,087**	42,715
		1,452,758	1,215,956
b.	**Included in unquoted investments are:**		
	Stapled securities in other corporations	**131**	131
	Units in trusts	**261**	9,781
		392	9,912

c. Terms and conditions

Unquoted stapled securities had a maturity date of 30 June 2011 (2009: 30 June 2010) and an average interest rate of 9.75% p.a. (2009: 9.75% p.a.).

d. Investments disposed of during the year

	Fair value at disposal date	Gain(Loss) on disposal
	$'000	$'000
Equity investments	**16,702**	(1,030)

The disposals occurred in the normal course of the group's operations as a listed investment company or as a result of takeovers or mergers.

		2010	2009
		$'000	$'000
13.	**Deferred tax assets**		
	The balance comprises temporary differences attributable to :		
	Revenue tax losses carried forward	**38**	38
	Provisions	**426**	695
	Retirement benefit obligations	**61**	75
	Share issue expenses	**340**	307
	Other	**43**	69
	Total deferred tax assets	**908**	1,184
	Movements:		
	Balance at 1 July	**1,184**	1,203
	Charged (credited) to the income statement	**(234)**	113
	Credited to equity	**(42)**	(132)
	Balance at 30 June	**908**	1,184
	To be recovered within 12 months	**181**	84
	To be recovered after more than 12 months	**727**	1,100
		908	1,184
14.	**Deferred tax liabilities**		
	The balance comprises temporary differences attributable to:		
	Amounts recognised directly in equity:		
	Revaluation of investments	**123,095**	85,113
	Amounts recognised in profit:		
	Realised capital losses	**(10,868)**	(7,336)
	Unrealised gains on trading securities	**14**	31
	Income receivable which is not assessable for tax until receipt	**18,516**	16,562
		130,757	94,370
	Movements :		
	Balance at 1 July	**94,370**	190,692
	Charged to the income statement	**(636)**	(614)
	Charged (credited) to other comprehensive income	**37,023**	(95,708)
	Balance at 30 June	**130,757**	94,370
	To be settled within 12 months	**-**	-
	To be settled beyond 12 months	**130,757**	94,370

		2010	2009
		$'000	$'000
15.	**Issued capital**		
a.	**Movement in share capital**		
	Balance at 1 July 88,988,740 shares (2009: 84,560,837 shares)	**826,141**	763,770
	Share Purchase Plan issues of 3,953,829 shares (2009: 871,945 shares) for cash	**63,578**	15,564
	4,132,711 shares issued as consideration for acquisition (2009: 3,555,958 shares)	**73,570**	47,116
	Share issue costs net of tax	**(97)**	(309)
	Balance at 30 June 97,075,280 shares (2009: 88,988,740 shares)	**963,192**	826,141

b Ordinary shares

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

16. Nature and purpose of reserves

Changes in fair value of investments are presented in other comprehensive income through the asset revaluation reserve as referred to in note 1g.

Upon disposal of investments, the net gain or loss is transferred from the asset revaluation reserve to the capital profits reserve as referred to in note 1g. .

17. Management of financial risk

The risks associated with the financial instruments, such as investments and cash include market risk, credit risk and liquidity risk.

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

a. Financial instruments' terms, conditions and accounting policies

The consolidated entity's significant accounting policies are included in note 1, while the terms and conditions of each class of financial asset, financial liability and equity instrument, both recognised and unrecognised at the balance date, are included under the appropriate note for that instrument.

b. Net fair values

The carrying amounts of financial instruments in the consolidated statement of financial position approximate their net fair value.

c. Credit risk exposures

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

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

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

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

There are no financial instruments overdue.

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

17. Management of financial risk (continued)

d. Market risk

Market risk is the risk that changes in market prices will affect the fair value of the financial instrument.

Milton is exposed to market risk through the movement of the security prices of the companies and trusts in which it is invested. Milton's long term investment experience is that the fair value of the portfolio increases over the long term.

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

Investments represent 90% (2009: 91%) of total assets. A 5% fall in movement in the market value of investments in each of the companies and trusts within the portfolio would result in a 4.5% (2009: 4.6%) movement in the net assets before provision for tax on unrealised capital gains at 30 June 2010 (2009: 30 June 2009). The net asset backing before provision for tax on unrealised capital gains would move by 75 cents per share at 30 June 2010 (2009: 69 cents at 30 June 2009).

Milton's executives regularly monitor the performance of the companies within its portfolio and make portfolio recommendations which are considered by the Investment Committee. The Milton board reviews the portfolio on a quarterly basis.

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

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

e. Liquidity risk

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

The group manages liquidity risk by monitoring forecast and actual cashflows.

f. Capital risk management

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

The capital base is managed to ensure there are funds available for investment as opportunities arise. Capital may be increased annually through the issue of shares under the Share Purchase Plan. Other means of increasing capital could include rights issues and acquisitions of unlisted investment companies.

g. Fair value measurement

Financial instruments carried at fair value are comprised of investments and other financial assets. The fair value of these financial instruments is the quoted prices (unadjusted) in active markets for identical assets. The Australian Securities Exchange is the active market for all financial instruments.

18. Employee entitlements

a. Employee Share Plan

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

In June 2010, 360 (2009: 432) shares were acquired by Milton on behalf of eligible employees under the ESP at a cost of $6,008 (2009: $7,992) and with a total market value at 30 June 2010 of $5,753 (2009: $6,264).

Any shares acquired cannot be disposed of or transferred until the earlier of 3 years from the date of issue or acquisition or on the date that the employee's employment ceases with Milton.

b. Senior Staff Share Plan

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

In 2010 there were no shares acquired. (2009, 37,500 shares were acquired by the trustee of the plan on behalf of eligible employees under the SSSP at a total cost of $709,521 and with a total market value at 30 June 2009 of $543,750).

The loans to eligible employees are as disclosed in note 10b.

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

	2010	2009
	$'000	$'000
19. Note to the cash flow statements		
a. Reconciliation of net profit to net cash provided by operating activities		
Profit attributable to shareholders	**73,099**	69,423
Net realised (gains) losses on investments	**(2,161)**	1,841
Share of net profits of joint ventures – equity accounted	**(3,689)**	(2,185)
Impairment losses	**-**	3,226
Distributions received from joint venture entities	**2,350**	833
Depreciation of non-current assets	**23**	35
(Increase) decrease in receivables	**(1,907)**	5,999
Decrease in payables and provisions	**(951)**	(322)
Increase (decrease) in income taxes payable	**670**	(6,580)
Net cash provided by operating activities	**67,434**	72,270

b. Non-cash financing and investing activities

As described in note 22b, Milton acquired three unlisted investment companies and their subsidiaries (2009: one unlisted investment company) during the year through the issue of 4,132,711 (2009: 3,555,958) Milton shares at a fair value of $73,570,000 (2009: $47,116.000).

20. Investment in joint venture entities

a. Details of joint venture entities

Companies in the consolidated entity have entered into joint ventures to develop real property. These joint ventures which are held by subsidiaries have been accounted for using the equity accounting principles.

b. Contribution from joint venture entities

The group has interests in the following joint venture entities:

	2010	2009
33.33% interest in the Ellenbrook Syndicate Joint Venture contribution to operating profit before tax	**3,125**	1,681
23.33% interest in the Mews Joint Venture contribution to operating profit before tax	**564**	504
50% interest in the LWP Huntlee Syndicate No 2 Joint Venture	**-**	-
Share of net profits of joint ventures	**3,689**	2,185

		2010	2009
		$'000	$'000
20.	**Investment in joint venture entities (continued)**		
c.	**Consolidated interest in the assets and liabilities of the joint ventures**		
	Current assets	**17,311**	15,495
	Non-current assets	**8,149**	8,231
	Current liabilities	**(1,596)**	(1,463)
	Non-current liabilities	**(6,675)**	(6,675)
		17,189	15,588
	Provision for diminution in value	**(543)**	(1,385)
	Net assets	**16,646**	14,203

d. Contingent liabilities

Each venturer is liable for its share of the debts of the joint ventures. The finance facilities have recourse only to the assets of the joint ventures. The LWP Huntlee Syndicate No 2 Joint Venture was formed in June 2010 and Milton is committed to providing further capital of $3.562 million over the next three years Apart from this commitment there are no further financial commitments

21 Parent entity disclosures

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

As at, and throughout, the financial year ending 30 June 2010 the parent company of the Group was Milton Corporation Limited

	2010 $'000	2009 $'000
Profit of the parent entity		
Profit for the year	**70,447**	67,399
Total comprehensive income for the year	**152,559**	(156,895)
Financial position of the parent entity as at 30 June 2010		
Current assets	**131,270**	105,819
Total assets	**1,749,312**	1,464,645
Current liabilities	**143,458**	126,677
Total liabilities	**277,004**	220,922
Net assets	**1,472,308**	1,243,723
Total equity of the parent entity comprising of		
Issued capital	**963,192**	826,141
Capital Profits Reserves	**72,726**	75,186
Asset Revaluation Reserve	**356,681**	269,619
Retained profits	**79,709**	72,777
Total equity attributable to shareholders of Milton	**1,472,308**	1,243,723

22. Particulars in relation to subsidiaries

a. Milton Corporation Limited's subsidiaries

The following subsidiaries have been included in the consolidated accounts:

	Interest held %	
85 Spring Street Properties Pty Ltd	**100**	100
Chatham Investment Co. Pty Limited	**100**	100
Incorporated Nominees Pty Limited	**100**	100
Milhunt Pty Limited	**100**	100

All controlled entities are incorporated in Australia

b. Acquisition of subsidiaries

In February 2010, Milton Corporation Limited acquired 100% of the voting shares in three unlisted investment companies and their subsidiaries (2009: one unlisted investment company) with the consideration consisting of the issue of 4,132,711 Milton shares (2009: 3,555,958 Milton shares). The main activity of the companies is investing in listed securities.

The operating results of the companies from the date of acquisition have been included in the income statement, while the assets and liabilities have been included in the consolidated statement of financial position. The results of the companies from 1 July 2009 to the date of acquisition and subsequent to that are not considered material to warrant separate disclosure.

The basis of fair value of the net assets acquired is the price quoted in an active market being the Australian Securities Exchange.

	2010	2009
	$'000	$'000
Details of the acquisitions are as follows:		
Fair value of the net assets acquired:		
Investments	**69,233**	38,031
Liquid and other assets	**4,493**	9,403
Liabilities	**(156)**	(318)
	73,570	47,116

Total acquisition costs, being stamp duty, due diligence fees and legal fees amounted to $573,000 (2009: $380,000).

c. Disposal of subsidiaries

In April 2010 all companies and their subsidiaries that were acquired and referred to in note 22b were placed into voluntary liquidation (2009: one wholly owned company was placed into voluntary liquidation).

23. Related parties

a. Directors and Key Management Personnel compensation

Short-term employee benefits	**894**	914
Other long-term benefits	**13**	39
Post-employment benefits	**173**	211
Share-based payments	**114**	179
	1,194	1,343

23. Related parties (continued)

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

		Balance 1 July	Acquisition	Balance 30 June
R.D. Millner	**2010**	**4,741,443**	6,524	**4,747,967**
	2009	4,739,483	1,960	4,741,443
J.N. Aitken	**2010**	**20,780**	**620**	**21,400**
	2009	20,500	280	20,780
J.F. Church	**2010**	**5,651,637**	**12,814**	**5,664,451**
	2009	5,647,337	4,300	5,651,637
G.L. Crampton [1]	**2010**	**17,511**	**2,796**	**20,307**
	2009	-	-	17,511
I.A. Pollard	**2010**	**22,659**	**2796**	**25,455**
	2009	22,099	560	22,659
D.F. Myles [2]	**2010**	**36,000**	**-**	**-**
	2009	33,900	2,100	36,000

[1] Appointed a director on 1 June 2009
[2] Retired on 8 October 2009

c. Executives' shareholdings and their related parties – number of shares held

		Balance 1 July	Received as Remuneration	Other Acquisitions	Balance 30 June
F.G. Gooch	**2010**	**128,367**	**-**	**600**	**128,967**
Managing director	2009	113,087	15,000	280	128,367
A.R. Davison	**2010**	**38,012**	**-**	**-**	**38,012**
CFO, secretary	2009	30,458	7,554	-	38,012

d. Loans to executives in relation to the Senior Staff Share Plan

Details regarding loans outstanding at the reporting date to specified directors and specified executives, where the individual's aggregate loan balance exceeded $100,000 at any time in the reporting period, are as follows:

		Balance 1 July	Net change	Balance 30 June	Highest balance in the period	Notional Interest
		$	$	$	$	$
F.G. Gooch	**2010**	**1,411,067**	**(50,825)**	**1,360,242**	**1,385,655**	**80,829**
Managing director	2009	1,191,940	219,127	1,411,067	1,475,748	125,114
A.R. Davison	**2010**	**584,528**	**(20,063)**	**564,465**	**574,496**	**33,220**
CFO, secretary	2009	467,626	116,746	584,528	609,531	51,978

Terms and conditions of the loans are referred to in note 18b.

23. Related parties (continued)

e. Other related party transactions

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

Loans to and from subsidiaries

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

During the year ended 30 June 2010, such loans to subsidiaries totalled $124,640,485 (2009: $83,862,000) and loans from subsidiaries totalled $ 75,024,122 (2009: $50,304,000).

Other arrangement with non executive director

Mr J.F.Church rented office space from Milton at commercial rates from 1 July 2009 to 30 June 2010 and rental income received by Milton during the financial year was $10,659 (2009: $11,798).

24. Contingencies

At balance date the directors are not aware of any material contingent liabilities

26. Events subsequent to reporting date

Since the end of the financial year, the directors declared a fully franked final dividend of 36 cents per share, payable on 1 September 2010.

27. Holdings at Fair Value through other Comprehensive Income at 30 June 2010

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

Investments in equity instruments	**2010 $'000**	2009 $'000
Adelaide Brighton Limited	**3,271**	1,354
Adtrans Group Limited	**1,435**	894
AGL Energy Limited	**19,990**	17,087
Alumina Limited	**1,360**	1,289
Amalgamated Holdings Limited	**3,245**	1,284
Amcor Limited	**4,889**	2,786
Ammtec Limited	**3,055**	1,601
AMP Limited	**7,101**	6,534
A P Eagers Limited	**10,370**	6,707
APA Group	**2,707**	2,068
APN News & Media Limited	**2,600**	1,932
ARB Corporation Limited	**2,684**	1,340
Argo Investments Limited	**4,733**	2,855
ASX Limited	**5,874**	5,589
Asciano Group	**-**	991
Austbrokers Limited	**4,016**	2,625
Australand Property Group	**1,382**	1,371
Australia & NZ Banking Group Limited		
- ordinary shares	**51,662**	34,852
- convertible preference shares	**1,017**	-
Australian Agriculture Company Limited	**-**	221
Australian Foundation Investment Company Limited	**6,169**	3,611
AWB Limited	**433**	558

	2010 $'000	2009 $'000
Axa Asia Pacific Holdings Limited	**547**	389
Bank of Queensland Limited		
- ordinary shares	**49,660**	41,905
- reset preference shares	**1,560**	1,560
Bendigo & Adelaide Bank Limited	**37,846**	30,937
BHP Billiton Limited	**83,683**	61,927
Billabong International Limited	**837**	838
BKI Investment Company Limited (previously Brickworks Investment company Limited)	**1,314**	537
Blackmores Limited	**7,740**	4,882
Bluescope Steel Limited	**1,528**	1,769
Boral Limited	**6,557**	5,083
Bradken Limited	**3,214**	1,781
Brambles Limited	**4,526**	4,941
Brickworks Limited	**25,890**	27,769
Bunnings Warehouse Property Trust	**1,858**	1,138
Cabcharge Australia Limited	**692**	695
Caltex Australia Limited	**450**	661
Campbell Brothers Limited	**49,713**	29,256
Cardno Limited	**988**	852
Carlton Investments Limited	**5,837**	5,226
CFS Retail Property Trust	**17,205**	14,591
Charter Hall Office Trust (previously Macquarie Office Trust)	**458**	384
Charter Hall Retail Trust (previously Macquarie CountryWide Trust)	**1,528**	1,514
Choiseul Investments Limited	**51,109**	49,616
Coal & Allied Industries Limited	**3,910**	-
Coca-Cola Amatil Limited	**10,336**	5,234
Cochlear Limited	**2,259**	866
Coffey International Limited	**675**	1,144
Commonwealth Bank of Australia	**109,330**	83,193
Commonwealth Property Office Fund	**1,039**	885
Consolidated Media Holdings Limited	**448**	320
Crane Group Limited	**5,117**	6,383
Crown Limited	**1,094**	1,024
CSL Limited	**19,029**	18,260
CSR Limited	**1,052**	932
David Jones Limited	**1,082**	927
Diversified United Investment Limited	**781**	630
Equity Trustees Limited	**3,428**	3,270
Essa Australia Limited	**-**	162
Fairfax Media Limited	**4,852**	5,001
FKP Property Group	**1,927**	1,148
Fleetwood Corporation Limited	**1,208**	776
Foster's Group Limited	**15,045**	10,742
Goodman Fielder Limited	**430**	418
Goodman Group	**587**	342
Goldman Sachs JB Were Collateral Mezzanine Fund	**104**	104
Goldman Sachs JB Were Private Equity Fund	**9**	9
Graincorp Limited	**1,161**	1,575
Gresham Private Equity Co-Investment Fund	**60**	60
GWA International Limited	**4,632**	3,333
Healthscope Limited	**2,943**	-
Hills Industries Limited	**3,696**	2,699

	2010 $'000	2009 $'000
Independence Group NL	-	694
Insurance Australia Group Limited		
- ordinary shares	**7,501**	6,615
- reset preference shares	**296**	302
IAG Finance(NZ) Limited Perpetual Reset Exchangeable Notes	**1,200**	897
Incitec Pivot Limited	**3,014**	2,551
Infigen Energy	**732**	1,178
Intoll Group (previously Macquarie Infrastructure Group)	**1,660**	2,283
InvoCare Limited	**6,443**	5,598
IOOF Holdings Limited	**450**	313
Leighton Holdings Limited	**17,210**	13,805
Lend Lease Corporation Limited	**1,458**	1,136
Lindsay Australia Limited	**296**	320
Lion Nathan Limited	**-**	8,122
LWP Huntlee Unit Trust No 2	**-**	9,521
Macarthur Coal Limited	**4,272**	2,326
Macquarie Airports	**700**	551
Macquarie Communications Infrastructure Group	**-**	119
Macquarie Global Infrastructure Trust	**1**	1
Macquarie Group Limited	**12,093**	12,738
Metcash Limited	**11,401**	9,560
Mirvac Group	**431**	354
Mystate Limited (previously Tasmanian Perpetual Trustees Limited	**1,388**	1,201
National Australia Bank Limited	**67,989**	62,673
New Hope Corporation Limited	**3,118**	2,767
Noni B Limited	**915**	789
Nufarm Limited	**1,218**	2,625
Oakton Limited	**901**	804
Oldfields Holdings Limited	**-**	178
OneSteel Limited	**8,437**	6,855
Orica Limited	**1,970**	1,080
Origin Energy Limited	**4,022**	1,997
Perpetual Limited	**18,273**	18,120
Plantation Land Limited	**6**	-
Plantation Land Limited Unsecured Notes	**125**	131
Premier Investments Limited	**2,063**	1,867
QBE Insurance Group Limited	**18,539**	19,105
Qantas Airways Limited	**1,482**	1,354
Reece Australia Limited	**2,632**	1,778
Rio Tinto Limited	**28,836**	17,334
Santos Limited		
- ordinary shares	**13,191**	12,970
- reset convertible preference shares	**-**	501
Schaffer Corporation Limited	**315**	297
Sedgman Limited	**755**	197
Select Harvests Limited	**619**	452
Service Stream Limited	**-**	414
Seven Group Holdings Limited - Transferable Equity Linked Yield Shares 4	**541**	617
Sigma Pharmaceuticals Limited	**368**	1,314
Sims Group Limited	**10,147**	16,252
Sonic Healthcare Limited	**3,312**	3,123
Stockland Corporation Group	**2,673**	2,307

	2010 $'000	2009 $'000
Suncorp-Metway Limited		
- ordinary shares	**18,810**	15,675
- convertible preference shares	**2,869**	2,610
Tabcorp Holdings Limited	**226**	256
Tattersall's Limited	**582**	663
Telstra Corporation Limited	**25,883**	20,773
Ten Network Holdings Limited	**1,707**	1,240
The Platinum Trust - Japan Fund	**85**	85
Toll Holdings Limited	**4,311**	4,641
TPG Telecom Limited (previously SP Telemedia Limited)	**3,665**	640
Transfield Services Limited	**2,998**	2,208
Transfield Services Infrastructure Fund	**-**	97
Transurban Group Limited	**7,481**	6,957
Trust Company Limited	**12,386**	11,780
Tutt Bryant Group Limited	**-**	101
United Group Limited	**14,272**	9,681
Washington H. Soul Pattinson & Company Limited	**62,719**	52,064
Wesfarmers Limited		
- ordinary shares	**51,981**	39,812
- partially protected shares	**5,241**	3,943
West Australian Newspapers Holdings Limited	**6,927**	4,488
Westfield Group	**5,321**	4,437
Westpac Banking Corporation	**186,178**	173,209
Wide Bay Australia Limited	**3,328**	2,107
Woodside Petroleum Limited	**29,023**	25,347
Woolworths Limited	**53,944**	48,709
Worley Parsons Limited	**1,253**	1,022
	1,453,150	1,225,868

Other liquid securities

Adelaide Managed Funds	**2,010**	1,733
AMP - notes	**1,717**	1,744
Bank of Queensland- perpetual equity preference 07	**4,475**	4,500
Commonwealth Bank of Australia		
- Perls III	**815**	840
- Perls IV	**1,155**	1,149
Fairfax Media Limited - stapled preference securities	**645**	454
Goodman Funds Management – perpetual listed unsecured securities	**616**	342
Macquarie CPS Trust – convertible preference shares	**1,065**	1,030
Orica Limited – step-up preference shares	**746**	731
Suncorp convertible preference shares	**957**	870
Westpac Banking Corporation - preference shares (stapled preferred securities)	**1,004**	980
Woolworths Limited - notes	**548**	532
	15,753	14,905