

## Appendix 4E Preliminary Final Report

### Results for announcement to the market

For the year ended 30 June 2020

(Comparative figures being the year ended 30 June 2019)

	Movement	2020
<b>Revenue</b>		
Operating revenue	Down 15.0%	\$120.1 million
Total investment revenue (including special dividends)	Down 19.0%	\$125.9 million

<b>Earnings</b>		
<b>Profit after tax attributable to shareholders:</b>		
<i>Including</i> special investment revenue & acquisition costs net of tax	Down 20.8%	\$116.9 million
<i>Excluding</i> special investment revenue & acquisition costs net of tax	Down 16.7%	\$111.3 million
<b>Earnings per share, basic and diluted:</b>		
<i>Including</i> special investment revenue & acquisition costs net of tax	Down 21.4%	17.45 cents
<i>Excluding</i> special investment revenue & acquisition costs net of tax	Down 17.3%	16.60 cents

<b>Dividend information</b>		
Final fully franked ordinary dividend	Down 18.3%	8.5 cents
<b>Final dividend dates:</b>		
Ex dividend date		13 August 2020
Record date		14 August 2020
Payment date		2 September 2020

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

DRP price will be equal to the volume weighted average selling price (VWAP) over the five business day period commencing on 17 August 2020. **The last day for the receipt of an election notice for participation in the DRP is 17 August 2020.**



	30 June 2019	30 June 2020
<b>Net tangible asset backing per share (NTA)</b>		
<i>Before</i> provision for tax on unrealised capital gains	\$4.92	\$4.26
<i>After</i> provision for tax on unrealised capital gains	\$4.30	\$3.83

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

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

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

## ASX | Media Release

24 July 2020

### Milton reports net profit after tax of \$116.9 million and final dividend of 8.5 cents per share.

SYDNEY, 24 July 2020

Milton Corporation Limited (ASX:MLT), in a release to the Australian Securities Exchange, reported a net profit after tax for the year ended 30 June 2020 of \$116.9 million on operating revenues of \$120.1 million.

Milton also announced it would pay a fully franked final dividend of 8.5 cents per share on 2 September 2020. Milton's dividend reinvestment plan will operate for the final dividend.

Full year ordinary fully franked dividends paid to shareholders in relation to 2020 earnings will be 17.5 cents per share. This represents a payout ratio of 105.5% of underlying profit.

Milton's underlying profit for the year ended 30 June 2020, which excludes special dividends, declined 16.7% to \$111.3 million due to sharply lower dividend income received on Milton's \$2.7 billion diversified investment portfolio. Reduced liquidity revenue was received on Milton's cash balances due to lower term deposit rates. Milton's Board uses underlying profit to determine ordinary dividends due to the volatility of special dividend income.

Milton's underlying earnings per share for the full year fell by 17.3% to 16.6 cents. Earnings per share fell 21.4% to 17.45 cents per share.

Milton's Managing Director, Mr. Brendan O'Dea said, "We anticipated that the second half of the 2020 financial year was likely to present different challenges to the first half which saw strong share price performance but evidence of declining earnings growth. We had positioned Milton accordingly through reducing our exposures to retail banks and increasing cash balances. We did not anticipate a global pandemic and the extraordinary impact that COVID19 would

have on companies, economies and individuals. Many Australian companies have suspended, delayed or eliminated dividends as the impact of government policies to lock down activity damaged company cash flows"

"Dividends are a big part of many Australians' retirement income and form the majority of Milton's revenue. Milton's income in 2020 was affected by the dividend reductions but changes to portfolio composition have allowed us to reduce the impact. Milton's investment team have worked tirelessly through this volatile time to make targeted portfolio adjustments where needed. Our long term approach, however, has kept us invested in the market allowing the portfolio to benefit from the sharp share price rebound from the lows of March 2020" Mr. O'Dea added.

Milton's total portfolio return for the 12-month period to 30 June 2020 was -9.8% and total shareholder return was -9.4%.

Milton's management expense ratio (MER) was 0.14%, and Milton charges no management or performance fees. Milton remains one of the lowest cost professionally managed vehicles available to investors.

Total assets at 30 June 2020 were \$2.9 billion or \$4.26 per share (before provision for tax). Cash balances were \$114.1 million increased from \$110.3 million at 30 June 2019. Milton continues to have no debt.

The 2020 financial year was active in terms of portfolio changes with \$269.8 million added to new and existing equity investments. Investments were increased in Macquarie Group, Transurban, Sydney Airports, BHP, Cleanaway, IOOF, Origin Energy, Sonic Healthcare, Amcor, REA, Charter Hall, Altium and Qube. New investments were made in Pro Medicus, Johns Lyng and Magellan.

\$276.2 million of sales were made in 2020 and included the complete disposals of Milton's investments in ANZ Bank, Bank of Queensland, Bendigo & Adelaide Bank, Auswide Bank, Janus Henderson, Flight Centre, Blackmores, New Hope, Regis, Adelaide Brighton, Boral, Dulux and Orica. Investments in Westpac and QBE were also reduced.

Mr O'Dea said, "2020 was a transformative year for Milton's investment portfolio. We have taken deliberate steps to reduce our investments in retail banks due to concerns regarding long-term earnings growth and the impact of technology. Retail banks now represent 17% of Milton's portfolio, reduced from 28% at 30 June 2019".

"We understand that this has resulted in a reduction in Milton's income in the short term, but believe this change was necessary to create a path to grow income over time from other new or increased investments" Mr O'Dea added.

Milton forecasts 2021 earnings to be lower than 2020 due to lower dividend income as companies continue to conserve cash in a highly uncertain environment. Valuations in the equity market are at all-time highs, driven by liquidity and low interest rates. We continue to remain cautious about earnings in the bank sector due to the impact of loan deferrals and declining credit quality.

Mr O'Dea said, "These are highly unusual times for investors with a clear disconnect between expensive asset prices and a difficult short term earnings environment. Much of the recent increase in asset prices is driven by the extraordinary actions of governments and central banks to support individuals affected by economic lockdowns with income support and low interest rates. Milton will continue to look through short-term factors to focus on growing our investments in companies with strong long-term prospects, but expect this next period will be one of heightened volatility. We retain considerable cash balances and have the financial flexibility to invest should the right opportunities present".

A further update on market conditions will be provided at Milton's Annual General Meeting to be held on 20 October 2020.

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

## OUR VALUE PROPOSITION

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

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

**Milton pays fully franked dividends semi annually**

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

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

- Equity Investment portfolio at 30 June 2020 was valued at \$2.7 billion
- Total assets at 30 June 2020 were valued at \$2.9 billion

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

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

## CLASSIFICATION OF ASSETS

The following table shows assets at 30 June 2020 classified by Global Industry Classification Standard ("GICS") as adopted by the ASX.

Classification	Total Assets %
Banks	17.0
Other Financials	12.0
Materials	11.5
Industrials	8.9
Energy	8.0
Health Care	7.8
Consumer Discretionary	7.8
Consumer Staples	6.3
Communication Services	4.1
Real Estate	3.9
Insurance	3.3
Utilities	2.9
Information Technology	0.9
<b>Total Shares</b>	<b>94.4</b>
Cash	4.0
Other Assets	1.6
<b>Total</b>	<b>100.0</b>

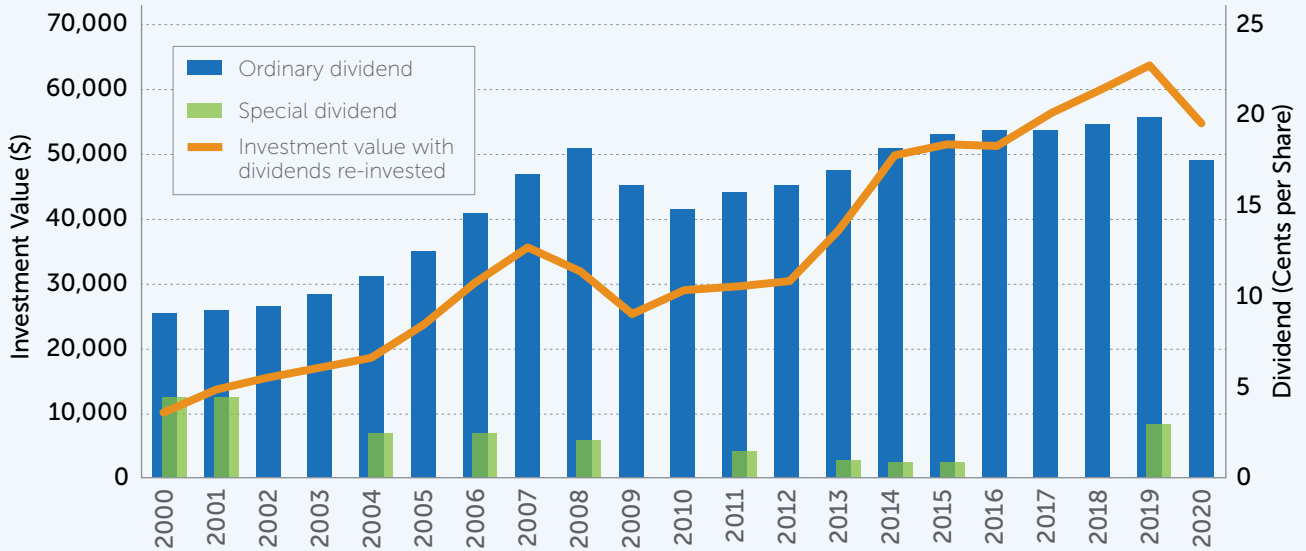
## MILTON'S INVESTMENT PROFILE

The 25 largest investments at 30 June 2020 are set out below.

Company	Market Value \$m
Commonwealth Bank	218.0
Macquarie Group Limited	192.8
Westpac Banking Corporation	179.2
W H Soul Pattinson & Company	179.2
BHP Group Limited	173.9
CSL Limited	172.5
Wesfarmers Limited	129.0
Woolworths Group Limited	109.5
National Australia Bank Limited	88.7
Transurban Group Limited	82.2
RIO Tinto Limited	65.5
AGL Energy Limited	60.9
Brickworks Limited	51.2
Coles Group Limited	49.4
Telstra Corporation Limited	47.7
ASX Limited	46.9
A P Eagers Limited	45.9
ALS Limited	39.9
Perpetual Limited	36.6
Amcor PLC	35.2
Insurance Australia Group Limited	34.8
Suncorp Group Limited	29.7
Sonic Healthcare Limited	28.6
TPG Telecom Limited	28.1
Woodside Petroleum Limited	27.9
<b>Total market value of Top 25</b>	<b>2,153.3</b>
<b>Total Assets</b>	<b>2,866.1</b>

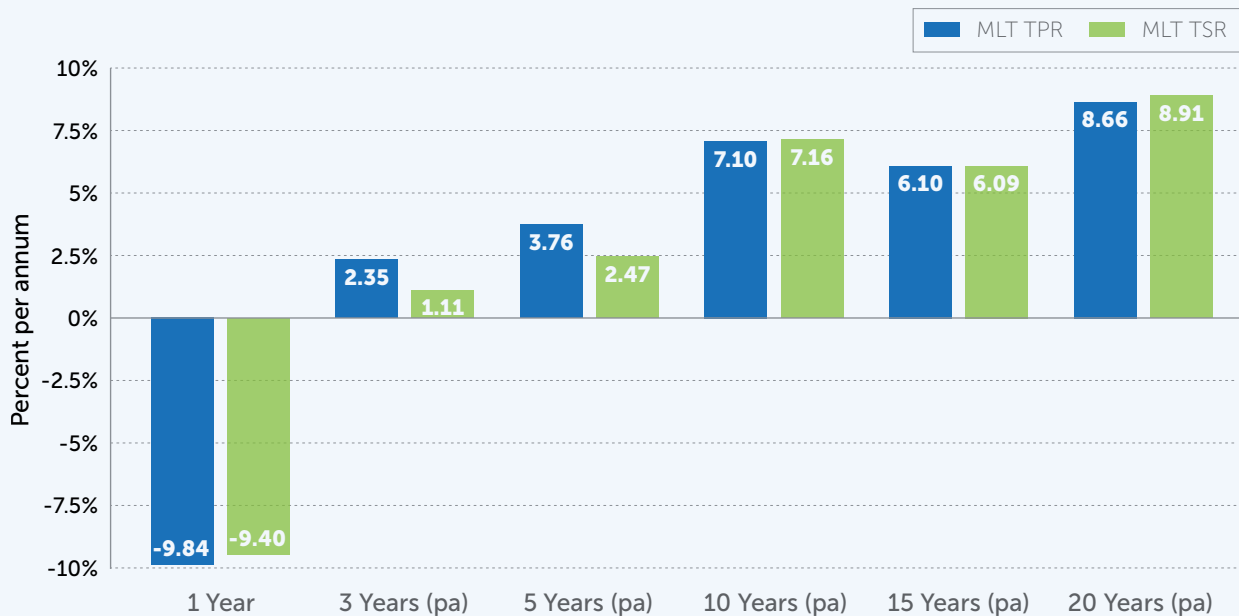
**PERFORMANCE CHARTS**

**Dividend and Investment Growth over 20 years**



If \$10,000 invested in MLT in June 2000, and if dividends were re-invested over the 20 years, the value of the investment in June 2020 would be worth \$54,670. Ordinary dividends increased from 8.60cps in FY2000 (adjusted for 5:1 split in Oct 2013) to 17.5cps in FY2020.

**Total Returns over 20 years**



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

# Financial Statements

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# Consolidated Income Statement

## for the year ended 30 June 2020

	Note	2020 \$'000	2019 \$'000
Ordinary dividends and distributions	1a	117,210	138,070
Interest	1c	1,478	2,629
Net gains on trading portfolio	1d	789	169
Other revenue		661	551
<b>Operating Revenue</b>		<b>120,138</b>	141,419
Share of net profits of joint ventures – equity accounted	8a	888	1,504
Special dividends and distributions	1b	5,761	14,115
Income from operating activities		126,787	157,038
Administration expenses		(4,528)	(4,220)
Acquisition related costs of subsidiaries		–	(124)
<b>Profit before income tax expense</b>		<b>122,259</b>	152,694
Income tax expense thereon	2a	(5,302)	(5,042)
<b>Profit attributable to shareholders of Milton</b>		<b>116,957</b>	147,652

	Note	2020 Cents	2019 Cents
Basic and diluted earnings per share	3	17.45	22.19

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

# Consolidated Statement of Comprehensive Income

## for the year ended 30 June 2020

	<b>2020</b>	<b>2019</b>
	\$'000	\$'000
<b>Profit</b>	<b>116,957</b>	147,652
<b>Other comprehensive income</b>		
Items that will not be reclassified to profit and loss		
Revaluation of investments	<b>(427,178)</b>	123,000
Provision for tax benefit (expense) on revaluation of investments	<b>127,171</b>	(37,458)
Other comprehensive income, net of tax	<b>(300,007)</b>	85,542
<b>Total comprehensive income for the year attributable to the shareholders of Milton</b>	<b>(183,050)</b>	233,194

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



# Consolidated Statement of Financial Position

as at 30 June 2020

	Note	2020 \$'000	2019 \$'000
<b>Current assets</b>			
Cash	9	114,069	110,306
Receivables	10a	10,938	15,187
Prepayments		410	275
<b>Total current assets</b>		<b>125,417</b>	125,768
<b>Non-current assets</b>			
Investments	7	2,706,159	3,141,236
Joint ventures – equity accounted	8b	24,709	23,125
Receivables		4,117	3,431
Property, plant and equipment		5,376	37
Deferred tax assets	2c	292	294
<b>Total non-current assets</b>		<b>2,740,653</b>	3,168,123
<b>Total assets</b>		<b>2,866,070</b>	3,293,891
<b>Current liabilities</b>			
Payables		1,456	1,182
Current tax liabilities		782	280
Provisions		66	68
<b>Total current liabilities</b>		<b>2,304</b>	1,530
<b>Non-current liabilities</b>			
Deferred tax liabilities	2d	289,725	416,657
Provisions		274	258
<b>Total non-current liabilities</b>		<b>289,999</b>	416,915
<b>Total liabilities</b>		<b>292,303</b>	418,445
<b>Net assets</b>		<b>2,573,767</b>	2,875,446
<b>Shareholders' equity</b>			
Issued capital	11	1,644,321	1,633,055
Capital profits reserve	12b	74,263	66,148
Asset revaluation reserve	12a	661,034	969,156
Retained profits		194,149	207,087
<b>Total equity attributable to shareholders of Milton</b>		<b>2,573,767</b>	2,875,446

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

# Consolidated Statement of Changes in Equity

## for the year ended 30 June 2020

	Issued capital \$'000	Capital profits reserve \$'000	Asset revaluation reserve \$'000	Retained profits \$'000	Total equity \$'000
<b>Balance at 1 July 2019</b>	1,633,055	66,148	969,156	207,087	2,875,446
Profit	–	–	–	116,957	116,957
Other comprehensive income	–	–	(300,007)	–	(300,007)
<b>Total comprehensive income</b>	–	–	(300,007)	116,957	(183,050)
Net realised gains	–	8,115	(8,115)	–	–
Transactions with shareholders:					
Share issues	11,266	–	–	–	11,266
Dividends paid	–	–	–	(129,895)	(129,895)
<b>Balance at 30 June 2020</b>	1,644,321	74,263	661,034	194,149	2,573,767

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

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

# Consolidated Statement of Cash Flows

## for the year ended 30 June 2020

	Note	2020 \$'000	2019 \$'000
<b>Cash flows from operating activities</b>			
Dividends and distributions received		126,106	162,171
Interest received		1,564	2,818
Distributions received from joint venture entities		967	2,500
Other receipts in the course of operations		959	465
Proceeds from sales of trading securities		7,317	169
Payments for trading securities		(6,528)	–
Other payments in the course of operations		(4,740)	(4,557)
Income taxes paid		(4,549)	(4,637)
<b>Net cash provided by operating activities</b>	22a	<b>121,096</b>	158,929
<b>Cash flows from investing activities</b>			
Proceeds from disposal of investments	7c	276,270	44,168
Proceeds from redemption of other financial assets		1,465	1,153
Payments for investments in equities and trusts		(268,670)	(96,674)
Payments for investments in joint ventures		(1,663)	(2,731)
Payments for acquisition related costs of subsidiaries		–	(124)
Cash on acquisition of subsidiaries		–	5,016
Payments for property, plant and equipment		(5,377)	(2)
Loans repaid by other entities		324	3,177
Loans advanced to other entities		(1,043)	(1,258)
<b>Net cash provided by (used in) investing activities</b>		<b>1,306</b>	(47,275)
<b>Cash flows from financing activities</b>			
Payments for share issue costs		(32)	(90)
Ordinary dividends paid	4a	(118,607)	(133,073)
<b>Net cash used in financing activities</b>		<b>(118,639)</b>	(133,163)
<b>Net increase (decrease) in cash assets held</b>		<b>3,763</b>	(21,509)
<b>Cash assets at the beginning of the year</b>		<b>110,306</b>	131,815
<b>Cash assets at the end of the year</b>	9	<b>114,069</b>	110,306

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

# Notes to the Consolidated Financial Statements

## for the year ended 30 June 2020

### Key Numbers

#### 1. Revenue

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

	2020	2019
	\$'000	\$'000
<b>a. Ordinary dividends and distributions</b>		
Milton receives ordinary dividend income and trust distributions from its long term investments in companies and trusts listed on the Australian Securities Exchange.		
Investments held in portfolio at 30 June	106,797	137,059
Investments sold during the year	10,413	1,011
	<b>117,210</b>	<b>138,070</b>
<b>b. Special dividends and distributions</b>		
This special investment revenue is received on an ad hoc basis and cannot be relied upon each year.		
Investments held in portfolio at 30 June	5,761	14,111
Investments sold during the year	–	4
	<b>5,761</b>	<b>14,115</b>
<b>c. Interest</b>		
Milton earns interest on its cash, term deposits and other liquid assets.		
Interest from deposits and cash	1,478	2,629
	<b>1,478</b>	<b>2,629</b>
<b>d. Net gains from trading portfolio</b>		
Net gains from trading portfolio	789	169

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

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

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

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

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

# Notes to the Consolidated Financial Statements

## continued

### Key Numbers

#### 2. Tax

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

	2020	2019
	\$'000	\$'000
<b>a. Reconciliation of Income Tax Expense to prima facie tax payable</b>		
Profit before income tax	122,259	152,694
Prima facie income tax expense calculated at 30% on the profit before income tax expense	36,678	45,808
Increase (decrease) in income tax expense due to:		
Tax offset for franked dividends	(30,823)	(40,392)
(Over) provision in prior year	(792)	(804)
Other differences	239	430
<b>Income tax expense on profit</b>	<b>5,302</b>	<b>5,042</b>
<b>b. Tax expense composition</b>		
Current tax on profits for the year	5,857	5,358
(Over) provision in prior year	(792)	(804)
Decrease in deferred tax assets (note 2c)	(2)	58
Increase in deferred tax liabilities (note 2d)	239	430
	<b>5,302</b>	<b>5,042</b>
<b>c. Deferred tax assets</b>		
The balance comprises temporary differences attributable to:		
Provisions	279	274
Share issue expenses	–	4
Other	13	16
<b>Total deferred tax assets</b>	<b>292</b>	<b>294</b>
Movements:		
Balance at 1 July	294	360
Credited (charged) to the income statement	2	(58)
(Charged) to equity	(4)	(8)
<b>Balance at 30 June</b>	<b>292</b>	<b>294</b>
To be recovered within 12 months	39	42
To be recovered after more than 12 months	253	252
	<b>292</b>	<b>294</b>

# Notes to the Consolidated Financial Statements

## continued

### Key Numbers

#### 2. Tax (continued)

	2020	2019
	\$'000	\$'000
<b>d. Deferred tax liabilities</b>		
The balance comprises temporary differences attributable to:		
Amounts recognised directly in equity:		
Revaluation of investments	289,876	423,999
Realised capital losses	(16,529)	(23,800)
Amounts recognised in profit:		
Gains on scrip for scrip rollovers	16,045	16,043
Income receivable which is not assessable for tax until receipt	333	415
	<b>289,725</b>	416,657
Movements:		
Balance at 1 July	416,657	378,769
Charged to income statement	239	430
(Credited) charged to other comprehensive income	(127,171)	37,458
<b>Balance at 30 June</b>	<b>289,725</b>	416,657
<b>To be settled beyond 12 months</b>	<b>289,725</b>	416,657

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

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

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

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

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

#### e. Offsetting deferred tax balances:

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities. Deferred tax assets from realised capital losses are offset against deferred tax liabilities from unrealised capital gains.

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

# Notes to the Consolidated Financial Statements

## continued

### Key Numbers

#### 2. Tax (continued)

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

#### 3. Earnings Per Share

	<b>2020</b>	<b>2019</b>
	Cents	Cents
Basic earnings per share	<b>17.45</b>	22.19
	\$'000	\$'000
Profit attributable to shareholders of the parent entity	<b>116,957</b>	147,652
	No. of Shares	No. of Shares
Weighted average number of ordinary shares used in the calculation of basic earnings per share	<b>670,366,099</b>	665,320,270

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

#### 4. Dividends Paid

	<b>2020</b>	<b>2019</b>
	\$'000	\$'000
<b>a. Recognised in the current year</b>		
An ordinary final dividend of 10.4 cents per share in respect of the 2019 financial year paid on 3 September 2019 (2019: Ordinary final dividend of 10.2 cents per share paid on 4 September 2018)	<b>69,572</b>	67,133
An ordinary interim dividend of 9.0 cents per share paid on 5 March 2020 (2019: 9.0 cents per share paid on 5 March 2019)	<b>60,323</b>	59,844
No special dividend was paid (2019: Special dividend of 2.5 cents per share paid on 30 April 2019)	–	16,725
	<b>129,895</b>	143,702
Dividends paid in cash	<b>118,607</b>	133,073
Dividends reinvested in shares	<b>11,288</b>	10,629
	<b>129,895</b>	143,702

# Notes to the Consolidated Financial Statements

continued

## Key Numbers

### 4. Dividends Paid (continued)

	2020 \$'000	2019 \$'000
<b>b. Not recognised in the current year</b>		
Since the end of the financial year, the directors declared an ordinary final dividend in respect of the 2020 year of 8.5 cents per share payable on 2 September 2020 (2019: ordinary final dividend of 10.4 cents per share paid on 3 September 2019)	57,063	69,572

### 5. Dividend Franking Account

	2020 \$'000	2019 \$'000
The amount of franking credits available to shareholders for the subsequent financial year, adjusted for franking credits that will arise from the payment of the current tax liability	122,864	128,692
Subsequent to year end, the franking account will be reduced by the proposed final dividend to be paid on 2 September 2020 (2019: final dividend paid on 3 September 2019)	(24,455)	(29,817)
	98,409	98,875

The franking account balance would allow Milton to frank additional dividend payments up to an amount of \$229,621,193 (2019: \$230,709,861) which represents 34 cents per share (2019: 34 cents per share).

### 6. Listed Investment Company capital gains account

	2020 \$'000	2019 \$'000
Balance of the Listed Investment Company (LIC) capital gain account available to shareholders for the subsequent financial year	1,655	1,481

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



# Notes to the Consolidated Financial Statements

## continued

### Assets

#### 7. Investment in equity instruments

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

	2020	2019
	\$'000	\$'000
<b>Investments – non-current</b>		
Quoted investments – at fair value	2,705,785	3,140,850
Unquoted investments – at fair value	374	386
	<b>2,706,159</b>	<b>3,141,236</b>
<b>a. Included in quoted investments are:</b>		
Shares in other corporations	2,476,375	2,927,525
Stapled securities in other corporations	229,410	213,325
	<b>2,705,785</b>	<b>3,140,850</b>
<b>b. Included in unquoted investments are:</b>		
Units in trusts	374	386

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

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

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

	2020	2019
	\$'000	\$'000
<b>c. Investments disposed of during the year</b>		
The disposals occurred in the normal course of Milton's operations as a listed investment company or as a result of takeovers or mergers.		
<b>Fair value at disposal date</b>		
Equity investments	276,270	44,168
<b>Gains on disposal after tax</b>		
Equity investments	8,115	14,497

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

# Notes to the Consolidated Financial Statements

## continued

### Assets

#### 8. Investment in joint venture entities

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

	2020	2019
	\$'000	\$'000
<b>a. Contribution from joint venture entities</b>		
Milton has interests in the following joint venture entities:		
33.33% interest in the Ellenbrook Syndicate Joint Venture contribution to operating profit before tax (2019: 33.33%)	1,213	1,561
23.33% interest in The Mews Joint Venture contribution to operating profit before tax (2019: 23.33%)	85	74
50% interest in the LWP Huntlee Syndicate No 2 Joint Venture (2019: 50%)	(410)	(131)
<b>Share of net profits of joint ventures</b>	<b>888</b>	<b>1,504</b>
<b>b. Consolidated interest in the assets and liabilities of the joint venture entities</b>		
Current assets	12,612	14,741
Non-current assets	19,310	19,968
Current liabilities	(2,696)	(3,333)
Non-current liabilities	(3,974)	(7,708)
	<b>25,252</b>	<b>23,668</b>
Provision for diminution in value	(543)	(543)
<b>Net assets</b>	<b>24,709</b>	<b>23,125</b>

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

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

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

# Notes to the Consolidated Financial Statements

## continued

### Assets

#### 8. Investment in joint venture entities (continued)

##### c. Contingencies and capital commitments

###### *Guarantee facility by parent company*

Milton agreed to provide a guarantee subject to a maximum of \$10 million to Bankwest to support a repayment of a principal amount on a loan payable on 30 June 2022 (or on a later agreed date) by a joint venture in which LWP Huntlee Syndicate No 2 has a 23.75% interest. This guarantee facility replaced Milton's previous interest servicing guarantee facility of \$10 million to the joint venture, which was cancelled on 8 April 2020.

This facility, which is on commercial terms, is secured by a second ranking mortgage over the real property of the joint venture as well as guarantees provided by other related entities of the joint venture. As at 30 June 2020 Milton's contingent liability amounted to \$10 million (30 June 2019: \$10 million on the previous interest servicing guarantee facility).

Other than the above, the directors are not aware of any material contingent liabilities, contingent assets or capital commitments as at 30 June 2020.

#### 9. Cash

	2020	2019
	\$'000	\$'000
Cash at bank	6,034	3,612
Deposits at call	38,035	24,694
Term deposits	70,000	82,000
	<b>114,069</b>	110,306

The weighted average interest rate for cash and deposits at call as at 30 June 2020 is 0.2% p.a. (2019: 1.4% p.a.). The weighted average interest rate of term deposits as at 30 June 2020 is 1.4% (2019: 2.1%) with an average term of 4.5 months (2019: 4.5 months).

#### 10. Receivables

	2020	2019
	\$'000	\$'000
<b>a. Receivables – current</b>		
Dividends receivable	10,523	14,822
Interest receivable	258	344
Sundry debtors	157	21
	<b>10,938</b>	15,187

##### b. Terms and conditions

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

# Notes to the Consolidated Financial Statements

## continued

### Capital Management

#### 11. Share capital

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

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

Movement in share capital	2020	2020	2019	2019
	No. of Shares	\$'000	No. of Shares	\$'000
Opening balance	668,963,092	1,633,055	658,170,815	1,582,431
Acquisition of unlisted investment companies	–	–	8,444,554	40,060
Dividend Reinvestment Plan <sup>(1)</sup>	2,363,305	11,288	2,347,723	10,627
Less: Transaction costs (net of tax)	–	(22)	–	(63)
Closing balance	671,326,397	1,644,321	668,963,092	1,633,055

1 Milton's Dividend Reinvestment Plan (DRP) offers shareholders the option to reinvest all or part of their dividend in new ordinary shares. In the 2020 financial year, Milton issued 1,288,011 new shares in September 2019 and 1,075,294 new shares in March 2020 under the DRP (2019:1,188,729 issued in September 2018 and 1,158,994 issued in March 2019).

#### 12. Reserves

##### Nature and purpose of reserves

Changes in fair value of investments are presented in other comprehensive income through the asset revaluation reserve as referred to in Note 7. Upon disposal of long-term investments, the realised gain or loss, net of any tax expense or benefit, is transferred from the asset revaluation reserve and recorded in the capital profits reserve.

	2020	2019
	\$'000	\$'000
<b>a. Asset revaluation reserve</b>		
Opening balance	969,156	898,111
Revaluation of investments net of provision for tax	(300,007)	85,542
Net realised gains	(8,115)	(14,497)
	661,034	969,156
<b>b. Capital profits reserve</b>		
Opening balance	66,148	51,651
Net realised gains	8,115	14,497
	74,263	66,148

# Notes to the Consolidated Financial Statements

## continued

### Risk

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

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

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

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

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

#### 14. Management of financial risk

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

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

##### a. Credit risk exposures

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

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

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

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

There are no financial instruments overdue.

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

##### b. Market risk

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

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

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

# Notes to the Consolidated Financial Statements

## continued

### Risk

#### 14. Management of financial risk (continued)

Investments represent 94% (2019: 95%) of total assets. A 5% movement in the market value of investments in each of the companies and trusts within the portfolio would result in a 4.7% (2019: 4.8%) movement in the net assets before provision for tax on unrealised capital gains at 30 June 2020. The net asset backing before provision for tax on unrealised capital gains would move by 20 cents per share at 30 June 2020 (2019: 23 cents at 30 June 2019).

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

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

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

##### c. Liquidity risk

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

Milton manages liquidity risk by monitoring forecast and actual cashflows. All accounts payable are due and payable within 12 months.

#### 15. Capital risk management

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

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

# Notes to the Consolidated Financial Statements

## continued

### Group Structure

#### 16. Subsidiaries

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

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

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

##### a. Basis of Consolidation

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

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

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

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

Percentage of Interest held	2020 %	2019 %
85 Spring Street Properties Pty Ltd	100	100
Chatham Investment Co. Pty Limited	100	100
Incorporated Nominees Pty Limited	100	100
Milhunt Pty Limited	100	100
ACN007531240 Pty Limited	100	100
Kembar Pty Limited	—	100

##### c. Acquisition and disposal of subsidiaries

No acquisitions during the year. Unlisted investment company Kembar Pty Limited acquired in February 2019 was placed into voluntary liquidation during the year and deregistered in April 2020.

(2019: Milton acquired 100% of the shares of two unlisted investment companies for a total consideration of 8,444,554 new Milton shares with a fair value of \$40,059,629).

##### d. Business Combinations

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

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

# Notes to the Consolidated Financial Statements

continued

## Other Information

### 17. Related party transactions

	2020	2019
	\$'000	\$'000
<b>a. Directors and Key Management Personnel compensation</b>		
Short-term benefits	1,414	1,436
Other long-term benefits	4	227
Post-employment benefits	101	118
Share-based payments	107	88
	<b>1,626</b>	<b>1,869</b>

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

Non-executive directors and their related parties held 5.6% (2019: 5.6%) of the voting power of Milton as at year end. All shares acquired by non-executive directors and their related parties during the year were purchased on an arm's length basis. Movements in the number of shares held are given below. There were no amounts outstanding from or due to any non-executive director or their related parties as at 30 June 2020.

	2020	2019
	No of shares	No of shares
Number of shares at beginning of the year	37,397,579	40,387,579
Acquired during the year	444,516	10,000
Disposed of during the year	–	(3,000,000)
<b>Number of shares held at end of year</b>	<b>37,842,095</b>	<b>37,397,579</b>

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

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

	2020	2019
	\$	\$
Balance at beginning of the year	1,567,499	3,119,563
Loans advanced	602,009	1,049,175
Loans repaid	(73,810)	(2,601,239)
<b>Balance at end of the year</b>	<b>2,095,698</b>	<b>1,567,499</b>
Notional interest	107,196	87,961

Notional interest is based on the applicable FBT benchmark interest rate for the year which averaged 5.20% (2019: 5.24%).

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



# Notes to the Consolidated Financial Statements

## continued

### Other Information

#### 17. Related party transactions (continued)

##### d. Other related party transactions

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

##### e. Loans to and from subsidiaries

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

	2020	2019
	\$	\$
Amounts owed (to) by subsidiaries at beginning of the year	(12,959,503)	27,034,039
Loans advanced from subsidiaries	(967,649)	(43,002,055)
Loans advanced to subsidiaries	15,666,212	3,008,513
<b>Amounts owed by (to) subsidiaries at end of the year</b>	<b>1,739,060</b>	<b>(12,959,503)</b>

#### 18. Share based payments

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

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

##### a. Employee Share Plan

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

During the year 414 shares (2019:422 shares) were acquired by Milton on behalf of eligible employees under the ESP at a cost of \$2,088 (2019: \$2,084) with a total market value at 30 June 2020 of \$1,693. Any shares acquired cannot be disposed of or transferred until the earlier of 3 years from the date of issue or acquisition or on the date that the employee's employment ceases with Milton.

##### b. Senior Staff Share Plan

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

# Notes to the Consolidated Financial Statements

## continued

### Other Information

#### 18. Share based payments (continued)

During the year 210,000 shares (2019: 310,000 shares) were acquired by the trustee of the plan on behalf of eligible employees under the SSSP at a cost of \$1,011,375 (2019: \$1,445,530). The shares acquired by the trustee during the year had a market value of \$858,900 at \$4.09 per share as at 30 June 2020. The SSSP loan receivable balance from eligible employees as at 30 June 2020 was \$4,117,515 (2019: \$3,430,474).

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

#### 19. Auditors Remuneration

	<b>2020</b>	<b>2019</b>
	\$'000	\$'000
Auditors of the company		
Audit and review services	<b>119</b>	115
Related practice of the auditor		
Agreed upon procedures	–	43
Other services	<b>7</b>	9
	<b>126</b>	167

# Notes to the Consolidated Financial Statements

## continued

### Other Information

#### 20. Parent entity disclosures

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

As at 30 June 2020, and throughout, the financial year ended 30 June 2020 the parent entity was Milton Corporation Limited.

	2020	2019
	\$'000	\$'000
<b>Profit of the parent entity</b>		
Profit for the year	116,252	146,560
Total comprehensive income for the year	(183,050)	232,741
<b>Financial position of the parent entity as at 30 June</b>		
Current assets	125,394	126,015
Non-current assets	2,743,474	3,183,538
Total assets	2,868,868	3,309,553
Current liabilities	(2,580)	(1,251)
Non-current liabilities	(292,521)	(432,856)
Total liabilities	(295,101)	(434,107)
Net assets	2,573,767	2,875,446
<b>Total equity of the parent entity comprising</b>		
Issued capital	1,644,321	1,633,055
Capital profits reserves	82,848	74,733
Asset revaluation reserve	716,713	1,024,131
Retained profits	129,885	143,527
<b>Total equity attributable to shareholders of the parent entity</b>	2,573,767	2,875,446

#### 21. Summary of other accounting policies

##### a. Basis of preparation

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

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

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

# Notes to the Consolidated Financial Statements

## continued

### Other Information

#### 21. Summary of other accounting policies (continued)

*New and amended standards adopted:*

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

There are no other new standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2019 that have a material impact on the amounts recognised in the prior periods or will affect the current or future periods.

*New and amended standards not adopted:*

New standards, amendments to standards and interpretations that are effective for annual periods beginning on or after 1 Jan 2020 have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of Milton.

#### b. Rounding of amounts

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

#### c. Operating segments

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

#### d. Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the assets.

Subsequent costs are included in the asset's carrying value or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Milton consolidated group, and that the cost of the item can be measured reliably.

All other repairs and maintenance costs are charged to the income statement during the reporting period in which they are incurred.

The depreciable amount of all fixed assets including building, but excluding freehold land, is depreciated commencing from the time the asset is held ready for use. Depreciating is calculated on straight line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Building	40 years
Plant and equipment	2–15 years

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each financial year-end.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its recoverable amount.

Gains and losses on disposals determined by comparing proceeds with carrying amounts are included in the income statement.

# Notes to the Consolidated Financial Statements

continued

## Other Information

### 22. Cash flow information

	2020	2019
	\$'000	\$'000
<b>a. Reconciliation of net profit to net cash provided by operating activities</b>		
Net profit	116,957	147,652
Share of net profits of joint ventures – equity accounted	(888)	(1,504)
Distributions received from joint venture entities	967	2,500
Acquisition related costs of subsidiaries	–	124
Depreciation of non-current assets	37	35
Decrease (Increase) in receivables	3,522	10,176
(Decrease) increase in payables and provisions	(274)	(287)
Increase in income taxes payable	753	405
Increase (decrease) in provisions	22	(172)
<b>Net cash provided by operating activities</b>	<b>121,096</b>	<b>158,929</b>

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

No material non-cash investing activities were carried out during the year ended 30 June 2020 (2019: Milton acquired two unlisted investment companies through the issue of 8,444,554 new Milton shares with a total fair value of \$40,059,629).

### 23. Contingent liabilities

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

### 24. Events subsequent to reporting date

Since the end of the financial year, the directors declared a fully franked ordinary final dividend of 8.5 cents per share payable on 2 September 2020.

# Notes to the Consolidated Financial Statements

## continued

### Holdings

#### 25. Holdings at Fair Value through Other Comprehensive Income at 30 June 2020

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

Investments in equity instruments	2020		2019	
	Holding Shares	Market value \$'000	Holding Shares	Market value \$'000
Adelaide Brighton Ltd.	–	–	2,978,554	12,033
AGL Energy Ltd.	3,570,141	60,871	3,570,141	71,439
ALS Ltd.	6,079,431	39,881	6,079,431	44,623
Altium Ltd.	318,500	10,345	178,500	6,105
Amcor PLC	2,433,512	35,237	1,566,512	25,362
Ampol Ltd.	394,000	11,552	394,000	9,752
A.P. Eagers Ltd.	6,795,986	45,873	5,833,107	57,164
APA Group	2,077,766	23,126	2,077,766	22,440
ARB Corporation Ltd.	911,065	16,354	911,065	16,581
Argo Investments Ltd.	1,880,841	13,523	1,880,841	15,272
ASX Ltd.	548,965	46,871	548,965	45,218
AUB Group Ltd.	1,292,991	19,007	1,292,991	13,499
Australia & New Zealand Banking Group Ltd.	–	–	3,452,751	97,402
Australian Foundation Investment Company Ltd.	470,513	2,865	922,398	5,765
Auswide Bank Ltd.	–	–	228,557	1,172
Automotive Holdings Group Ltd.	–	–	3,466,366	9,706
Bank of Queensland Ltd.	–	–	7,306,078	69,627
Bendigo & Adelaide Bank Ltd.	–	–	5,709,708	66,118
BHP Group Ltd.	4,854,921	173,903	4,098,921	168,712
BKI Investment Company Ltd.	1,223,866	1,695	1,223,866	1,921
Blackmores Ltd.	–	–	368,664	33,147
Boral Ltd.	–	–	2,089,293	10,697
Brambles Ltd.	1,431,966	15,565	1,431,966	18,444
Brickworks Ltd.	3,234,567	51,203	3,234,567	52,691
Carlton Investments Ltd.	356,778	8,195	356,778	11,274
Carsales.com Ltd.	1,197,000	21,235	1,042,000	14,098
Charter Hall Group	2,556,000	24,768	2,126,000	23,025
Charter Hall Long WALE REIT	5,082,095	21,751	3,364,212	16,855
CIMIC Group Ltd.	845,739	20,399	791,239	35,424
Cleanaway Waste Management	11,250,000	24,750	5,500,000	12,815
Coca-Cola Amatil Ltd.	1,061,584	9,193	1,061,584	10,849
Cochlear Ltd.	33,800	6,386	33,800	6,991
Coles Group Ltd.	2,877,375	49,405	2,877,375	38,413
Commonwealth Bank of Australia	3,140,470	218,011	3,140,470	259,968
Computershare Ltd.	–	–	23,000	373
CSL Ltd.	601,198	172,544	601,198	129,258
Diversified United Investment Ltd.	130,607	552,468	130,607	569
Dulux Group Ltd.	–	–	1,655,184	15,426
EQT Holdings Ltd.	593,954	14,700	500,697	14,821
Event Hospitality & Entertainment Ltd.	1,010,921	8,502	1,010,921	12,637
Finbar Group Ltd.	3,642,464	2,550	3,642,464	3,060
Flight Centre Travel Group Ltd.	–	–	80,300	3,336

Investments in equity instruments	2020		2019	
	Holding Shares	Market value \$'000	Holding Shares	Market value \$'000
Goodman Group	1,690,376	25,102	1,475,376	22,175
Gresham Private Equity Co-Investment Fund	–	–	100,000	23
Insurance Australia Group Ltd.	6,026,948	34,775	5,896,948	48,709
Incitec Pivot Ltd.	–	–	1,663,689	5,673
InvoCare Ltd.	2,050,914	21,494	1,950,914	31,195
IOOF Holdings Ltd.	2,575,014	12,669	2,009,086	10,387
Janus Henderson Group PLC	–	–	229,500	6,952
Johns Lyng Group Ltd.	1,950,000	4,583	–	–
Lendlease Group	972,539	12,030	972,539	12,643
Lindsay Australia Ltd.	13,341,599	4,670	13,341,599	4,603
Link Administration Holdings Ltd.	–	–	27,907	140
Macquarie Group Ltd.	1,625,990	192,842	744,490	93,352
McMillan Shakespeare Ltd.	803,532	7,296	662,538	8,090
Magellan Financial Group Ltd.	25,000	1,450	–	–
National Australia Bank Ltd.	4,868,831	88,710	4,868,831	130,095
New Hope Corporation Ltd.	–	–	1,290,107	3,496
Orica Ltd.	–	–	188,987	3,831
Origin Energy Ltd.	1,580,301	9,229	190,301	1,391
Pendal Group Ltd.	2,116,643	12,636	1,546,643	11,058
Perpetual Ltd.	1,231,982	36,553	1,231,982	52,039
Premier Investments Ltd.	590,321	10,183	590,321	8,955
Pro Medicus Limited	75,000	1,985	–	–
QBE Insurance Group Ltd.	789,375	6,994	1,949,375	23,061
Qube Holdings Ltd.	7,538,951	21,938	6,113,243	18,585
Ramsay Health Care Ltd.	225,283	14,986	225,283	16,274
REA Group Ltd.	92,309	9,958	8,769	842
Reece Ltd.	1,231,657	11,319	1,167,950	11,399
Regis Healthcare Ltd.	–	–	1,856,076	4,881
Rio Tinto Ltd.	669,120	65,547	669,120	69,428
Scentre Group	5,589,474	12,129	5,079,474	19,505
Schaffer Corporation Ltd.	68,999	911	68,999	941
Sims Ltd.	452,368	3,587	452,368	4,913
Sonic Healthcare Ltd.	940,707	28,626	710,707	19,260
Stockland Group	3,844,940	12,727	3,844,940	16,033
Suncorp Group Ltd.	3,218,120	29,703	3,314,232	44,643
Sydney Airport	4,874,629	27,639	3,184,629	25,605
Tank Stream Ventures	50,341	375	50,341	363
Technology One Ltd.	1,855,000	16,305	1,515,000	11,938
Telstra Corporation Ltd.	15,236,961	47,692	15,236,961	58,662
TPG Telecom Ltd.	3,148,725	28,024	3,148,725	20,278
Transurban Group Ltd.	5,815,153	82,168	4,592,153	67,688
Treasury Wine Estates Ltd.	1,206,363	12,643	1,206,363	17,999
Tuas Limited	1,574,363	1,063	–	–
Washington H. Soul Pattinson & Company Ltd.	9,174,640	179,181	9,174,640	201,750
Wesfarmers Ltd.	2,877,375	128,993	2,877,375	104,046
Westpac Banking Corporation	9,985,458	179,239	10,545,458	299,069
Whitefield Ltd.	–	–	149,373	726
Woodside Petroleum Ltd.	1,288,838	27,903	1,288,838	46,862
Woolworths Group Ltd.	2,936,973	109,490	2,936,973	97,596
		2,706,159		3,141,236