

Appendix 4D

31 December 2020 Half Yearly Report

CARLTON INVESTMENTS LIMITED

ABN 85 000 020 262

1. Financial Reporting Period

The current financial reporting period is for the half year to 31 December 2020 with the previous corresponding period being the half year to 31 December 2019.

2. Results for announcement to the market

				2020	2019
				\$000's	\$000's
Revenue					
Dividends and distributions received - ordinary	Down	63.5%	to	8,438	23,136
Dividends received - special	Down	36.9%	to	257	407
Interest received	Down	85.0%	to	33	220
Sundry Income	Up	100%	to	116	-
Operating revenue	Down	62.8%	to	8,844	23,763
Profit					
Profit before income tax	Down	63.9%	to	8,404	23,261
Income tax credit/(expense)	Down	217%	to	506	(434)
Net profit	Down	61.0%	to	8,910	22,827

Dividends	Amount per security	Franked amount per security
Interim dividend - Ordinary	26.0 cents	26.0 cents
- Preference	7.0 cents	7.0 cents
Half year ended 31 December 2019 - Ordinary	55.0 cents	55.0 cents
- Preference	7.0 cents	7.0 cents

Date of payment of interim dividends	22 March 2021
Record date for determining entitlements to the interim dividends	1 March 2021

3. Net tangible asset backing: Refer page 14.

4. Entities over which control has been gained or lost during the period: None

5 & 6. Details of dividend payments and dividend reinvestment plans: Refer to note 4-2 of the attached condensed consolidated financial statements.

7. Details of associates and joint ventures: None

The Auditor's Review Report is attached.

CARLTON INVESTMENTS LIMITED AND ITS CONTROLLED ENTITIES

CONSOLIDATED INCOME STATEMENT FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	Note	Half year to 31 December 2020	Half year to 31 December 2019
		\$000	\$000
Dividends and distributions received		8,695	23,543
Interest income		33	220
Sundry Income		116	-
Operating revenue	2-3	8,844	23,763
Administration expenses	2-4	(434)	(496)
Finance costs		(6)	(6)
Operating expenses		(440)	(502)
Profit before income tax expense		8,404	23,261
Income tax credit/(expense)	2-5	506	(434)
Net profit for the half year		8,910	22,827
Basic and diluted earnings per ordinary share	2-1	\$0.337	\$0.862

The consolidated income statement is to be read in conjunction with the notes to the condensed consolidated financial statements set out on pages 7 to 11.

CARLTON INVESTMENTS LIMITED AND ITS CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	Half year to 31 December 2020 \$000	Half year to 31 December 2019 \$000
Net profit for the half year	8,910	22,827
Other Comprehensive Income		
<i>Items that will not be reclassified to the income statement in the future:</i>		
Increase in fair value of investments	98,031	27,076
Increase in deferred tax liability on change in fair value of investments	(25,126)	(10,151)
Total other comprehensive income	72,905	16,925
Total comprehensive income for the half year	81,815	39,752

The consolidated statement of comprehensive income is to be read in conjunction with the notes to the condensed consolidated financial statements set out on pages 7 to 11.

CARLTON INVESTMENTS LIMITED AND ITS CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	Note	31 December 2020 \$000	30 June 2020 \$000
CURRENT ASSETS			
Cash		15,143	21,581
Receivables		404	1,219
Investments—term deposits	3-1	2,000	2,000
TOTAL CURRENT ASSETS		17,547	24,800
NON CURRENT ASSETS			
Investments - equities	3-1	829,583	731,517
Deferred tax assets		22	22
TOTAL NON CURRENT ASSETS		829,605	731,539
TOTAL ASSETS		847,152	756,339
CURRENT LIABILITIES			
Payables		132	119
Current tax liabilities		147	778
TOTAL CURRENT LIABILITIES		279	897
NON CURRENT LIABILITIES			
Deferred tax liabilities	2-5	127,203	102,761
Other financial liabilities	3-2	166	166
TOTAL NON CURRENT LIABILITIES		127,369	102,927
TOTAL LIABILITIES		127,648	103,824
NET ASSETS		719,504	652,515
EQUITY			
Issued capital	4-1	20,146	20,146
Reserves		336,423	263,518
Retained earnings		362,935	368,851
TOTAL EQUITY		719,504	652,515

The consolidated statement of financial position is to be read in conjunction with the notes to the condensed consolidated financial statements set out on pages 7 to 11.

CARLTON INVESTMENTS LIMITED AND ITS CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2020

Half year to 31 December 2020	Share capital \$000	Revaluation reserve \$000	Retained earnings \$000	Total \$000
Equity as at 1 July 2020	20,146	263,518	368,851	652,515
Dividends paid	-	-	(14,826)	(14,826)
	20,146	263,518	354,025	637,689
Profit for the period	-	-	8,910	8,910
Other comprehensive income:-				
Increase/(decrease) in fair value of investments	-	98,031	-	98,031
(Increase)/decrease in deferred tax liability relating to change in fair value of investments	-	(25,126)	-	(25,126)
Other comprehensive income	-	72,905	-	72,905
Total comprehensive income	-	72,905	8,910	81,815
Total equity as at 31 December 2020	20,146	336,423	362,935	719,504

Half year to 31 December 2019	Share capital \$000	Revaluation reserve \$000	Retained earnings \$000	Total \$000
Equity as at 1 July 2019	20,146	425,624	365,947	811,717
Dividends paid	-	-	(20,650)	(20,650)
	20,146	425,624	345,297	791,067
Profit for the period	-	-	22,827	22,827
Other comprehensive income:-				
Increase/(decrease) in fair value of investments	-	27,076	-	27,076
(Increase)/decrease in deferred tax liability relating to change in fair value of investments	-	(10,151)	-	(10,151)
Other comprehensive income	-	16,925	-	16,925
Total comprehensive income	-	16,925	22,827	39,752
Total equity as at 31 December 2019	20,146	442,549	368,124	830,819

The consolidated statement of changes in equity is to be read in conjunction with the notes to the condensed consolidated financial statements set out on pages 7 to 11.

CARLTON INVESTMENTS LIMITED AND ITS CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	Half year to 31 December 2020 \$000	Half year to 31 December 2019 \$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Dividends and distributions received	9,493	26,682
Interest received	49	186
Other income	116	-
Cash paid for operating expenses	(420)	(488)
Income tax paid	(809)	(689)
NET CASH PROVIDED BY OPERATING ACTIVITIES	8,429	25,691
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from capital returns and disposal of investments	-	5,213
Payments for acquisitions of investments	(35)	(3,814)
Net increase in term deposits	-	(7,100)
NET CASH USED IN INVESTING ACTIVITIES	(35)	(5,701)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(14,826)	(20,650)
Finance costs	(6)	(6)
NET CASH USED IN FINANCING ACTIVITIES	(14,832)	(20,656)
NET DECREASE IN CASH HELD	(6,438)	(666)
CASH AT BEGINNING OF FINANCIAL PERIOD	21,581	2,311
CASH AT END OF FINANCIAL PERIOD	15,143	1,645

The consolidated statement of cash flows is to be read in conjunction with the notes to the condensed consolidated financial statements set out on pages 7 to 11.

CARLTON INVESTMENTS LIMITED AND ITS CONTROLLED ENTITIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

SECTION 1 – BASIS OF PREPARATION

1-1 REPORTING ENTITY

Carlton Investments Limited is a company domiciled in Australia. The consolidated financial report of the Company for the half year ended 31 December 2020 comprises the Company and its subsidiaries (together referred to as the consolidated entity). The consolidated entity operates predominately in the acquisition and long term holding of shares and units in entities listed on the Australian Securities Exchange.

The report was authorised for issue by the Board of Directors on 16 February 2021.

1-2 BASIS OF PREPARATION

(a) Statement of Compliance

The consolidated financial report is a general purpose financial report, which has been prepared in accordance with Australian Accounting Standard AASB 134: *Interim Financial Reporting* and the Corporations Act 2001.

The consolidated financial report does not include all of the information required for a full annual financial report and is to be read in conjunction with the 30 June 2020 annual financial report. This report must also be read in conjunction with any public announcements made by the Company during the half year in accordance with continuous disclosure obligations arising under the Corporations Act 2001 and the Australian Securities Exchange Listing Rules.

(b) Basis of Preparation

The financial report is presented in Australian dollars (the Company's functional currency) on the historical cost basis except that investments in equities listed on the Australian Securities Exchange have been stated at their fair value. The balances and effects of transactions between controlled entities included in the consolidated accounts have been eliminated.

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

Revisions to accounting estimates are recognised in the period when the estimate is revised and in any future reporting periods affected.

The accounting policies adopted by the consolidated entity are consistent with those adopted during the previous corresponding half year and financial year.

CARLTON INVESTMENTS LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	Half year to 31 December 2020 \$000	Half year to 31 December 2019 \$000
SECTION 2 – EARNINGS AND COSTS		
2-1. EARNINGS PER SHARE		
Basic and diluted earnings per ordinary share (cents per share)	<u>\$0.337</u>	<u>\$0.862</u>
RECONCILIATION OF EARNINGS USED IN THE CALCULATION OF EARNINGS PER SHARE		
Earnings used in the calculation of basic and diluted earnings per ordinary share	<u>8,910</u>	<u>22,827</u>
	Number	Number
Weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share	<u>26,474,675</u>	<u>26,474,675</u>
2-2 TIMING OF RECOGNITION OF INCOME		
Revenues from dividends and trust distributions are recognised when the right to receive payment is established. Interest income is recognised as it accrues.		
2-3. REVENUES FROM INVESTMENT ACTIVITIES		
Dividends and distributions received - ordinary	8,438	23,136
Dividends received - special	257	407
Interest received or due and receivable from other parties	33	220
Other income	116	-
	<u>8,844</u>	<u>23,763</u>
2-4. ADMINISTRATION EXPENSES		
Administration expenses include:		
Directors' fees and employee benefits	270	276
Other administration expenses	118	163
	<u>388</u>	<u>439</u>
Audit services: KPMG		
Audit and review of financial report	32	30
Other services: KPMG		
Taxation services	14	27
	<u>46</u>	<u>57</u>
	<u>434</u>	<u>496</u>

CARLTON INVESTMENTS LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2020

2-5. INCOME TAX

Accounting Policy

Income tax expense in the income statement comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised directly to the revaluation reserve in equity.

Current tax liability is the expected tax payable on the taxable income for the half year, using tax rates enacted or substantially enacted at the balance date, and any adjustment to tax payable in respect of previous years. Deferred tax, being predominantly capital gains tax, is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets, using tax rates enacted or substantially enacted at balance date.

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

	Half year to 31 December 2020 \$000	Half year to 31 December 2019 \$000
Income tax expense		
Prima facie income tax expense calculated at 30% (2019: 30%) on profit before tax	2,521	6,978
<i>Increase/(decrease) in income tax expense due to:</i>		
Imputation gross up on dividends received	1,043	3,097
Franking credits on dividends received	(3,475)	(10,325)
Difference in timing of recognition of dividend income for accounting and tax	222	824
Other	(120)	(140)
	<u>191</u>	<u>434</u>
Reversal of prior year deferred income tax provision no longer required	(697)	-
Income tax (credit)/expense	<u>(506)</u>	<u>434</u>
	31 December 2020 \$000	30 June 2020 \$000
Deferred tax liability		
Capital gains tax on unrealised investment gains	127,138	102,027
Other temporary differences on timing of recognition of dividend and trust distribution income and income tax payable	65	734
	<u>127,203</u>	<u>102,761</u>

CARLTON INVESTMENTS LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2020

31 December	30 June
2020	2020
\$000	\$000

SECTION 3 – ASSETS AND LIABILITIES

3-1 INVESTMENTS

Current

Term deposits	<u>2,000</u>	<u>2,000</u>
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Term deposits had a maturity period of 48 days from 31 December 2020 and at that date were paying interest at a rate of 0.45%. The weighted average effective interest rate on term deposits during the half year ended 31 December 2020 was 0.86% (2019: 1.79%).

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. Credit risk on term deposits is minimised as deposits are only placed with major Australian financial institutions with acceptable credit ratings determined by a recognised rating agency. There is no exposure to currency risk.

Non-Current

Shares and units in listed entities – at fair value	<u>829,583</u>	<u>731,517</u>
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Accounting Policy

Shares and units in listed entities are valued continuously at fair value. Inputs used to determine fair value are the unadjusted last-sale price, last-bid price and last-sell price quoted on the Australian Securities Exchange at balance date. Fair value is determined at a value within the quoted bid/sell price spread with most investments being valued at the quoted last-sale price. As the inputs used to determine the fair value of shares and units in listed entities are prices quoted in an active market, being the Australian Securities Exchange, values are categorised within Level 1 of the fair value hierarchy of measurement under Accounting Standards AASB 13.

Any change in fair value of shares and units in listed entities is recognised, through the Statement of Comprehensive Income, directly to the revaluation reserve in equity.

Short term deposits with major financial institutions form part of the consolidated entity's investment portfolio and are carried at cost.

During the half year period investments were acquired for total consideration of \$35,000 (2019: \$3,814,000).

Shares and units held by the consolidated entity are not directly exposed to interest or currency risk.

3-2 OTHER FINANCIAL LIABILITIES

Cumulative preference shares	<u>166</u>	<u>166</u>
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82,978 (30 June 2020: 82,978) 7% cumulative preference shares fully paid. Preference shares were not classified as redeemable when issued.

Dividends on these preference shares are recorded as a finance cost for accounting purposes.

CARLTON INVESTMENTS LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	31 December 2020 \$000	30 June 2020 \$000
SECTION 4 – SHARE CAPITAL AND DIVIDENDS PAID		
4-1 ISSUED CAPITAL		
Issued and Paid Up Capital		
26,474,675 (30 June 2020: 26,474,675) ordinary shares fully paid	<u>20,146</u>	<u>20,146</u>
Movements in Ordinary Issued Capital		
Balance at the beginning of the financial period	20,146	20,146
On market buy back	-	-
Balance at end of the financial period	<u>20,146</u>	<u>20,146</u>

On 14 November 2001 the Company announced an On Market Buy Back of up to 2,500,000 of the Company's ordinary shares. This Buy Back has been extended until 28 November 2021. There were no shares bought back during the half year ended 31 December 2020 or year to 30 June 2020.

4-2 DIVIDENDS

Dividends recognised in the current half year by the Company are:

	Cents per share	Total amount \$000	Franked/ unfranked	Date of payment
2020 final dividend – ordinary shares	56.0	<u>14,826</u>	Franked	21 September 2020

Since the end of the financial period the directors have declared the following interim dividends.

2021 interim dividend – ordinary shares	26.0	<u>6,883</u>	Franked	22 March 2021
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The financial effect of the interim dividends, which has not been brought to account in the financial statements for the half year ended 31 December 2020, will be recognised in the 30 June 2021 Annual Report.

The Dividend Reinvestment and Bonus Share Plans continue to be suspended.

SECTION 5 – OTHER INFORMATION

5-1 EVENTS SUBSEQUENT TO REPORTING DATE

For the 2021 interim dividends declared after 31 December 2020 refer note 4-2 above.

CARLTON INVESTMENTS LIMITED AND ITS CONTROLLED ENTITIES

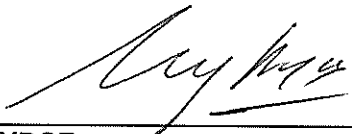
DIRECTORS' DECLARATION FOR THE HALF YEAR ENDED 31 DECEMBER 2020

In the opinion of the Directors of Carlton Investments Limited ("the Company"):

- (a) the financial statements and notes set out on pages 2 to 11 are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance, as represented by the results of its operations and cash flows, for the half year ended on that date; and
 - (ii) complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Dated at Sydney 16 February 2021

Signed in accordance with a resolution of the Directors:


A G RYDGE

:DIRECTORS


A J CLARK

CARLTON INVESTMENTS LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2020

The Directors present their report together with the consolidated financial report of Carlton Investments Limited and its controlled entities for the half year ended 31 December 2020 and the auditor's review report thereon.

DIRECTORS

The following were Directors of the Company during the half year and up to the date of this report:

Name	Period of directorship
Mr Alan G Rydge - Chairman	Chairman of Directors since 1980. Non Executive Director
Mr Anthony J Clark AM – Lead Independent Director and Chairman of the Nominations and Remuneration Committee and Chairman of Audit and Risk Committee	Independent Non Executive Director since 2000
Mr Murray E Bleach	Independent Non Executive Director since 2014

CONSOLIDATED OPERATING PROFIT

The consolidated net profit for the half year to 31 December 2020 attributable to the members of Carlton Investments Limited was:

	31 December 2020 \$000	31 December 2019 \$000
Profit before income tax	8,404	23,261
Income tax credit/(expense) thereon	506	(434)
Net profit for the half year	8,910	22,827

REVIEW OF OPERATIONS

Net profit for the half year to 31 December 2020 was \$8,910,000, representing a decrease of \$13,917,000 or 61% on the previous corresponding half year period.

Dividends and distributions received and receivable of \$8,695,000 decreased by \$14,848,000 or 63.1%, with the prior corresponding half year period to 31 December 2019 not being impacted by the COVID-19 pandemic. In the half year to 31 December 2020 most investee companies, with the exception of some mining companies, continued to conserve funds and pay reduced dividends or no dividend. The largest reductions in dividends received came from the Group's investment in Event Hospitality & Entertainment, who did not pay a dividend in the half year (prior corresponding half year dividend received - \$9,544,000) and also from investee companies in the banking sector whose dividends decreased by \$3,686,000. Included in dividends received were special dividends of \$257,000 compared to \$407,000 in the previous corresponding half year.

Interest income of \$33,000 decreased by \$187,000 compared to the previous corresponding half year. This lower interest income resulted from the impact of lower interest rates and also a greater proportion of funds being held in "at call" deposits rather than term deposits. Average funds held on term deposit decreased by \$21.9 million and the weighted average effective interest rate on term deposits decreased by 0.93%.

CARLTON INVESTMENTS LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT (cont.) FOR THE HALF YEAR ENDED 31 DECEMBER 2020

REVIEW OF OPERATIONS (continued)

An income tax credit of \$506,000 has resulted from the reversal of a provision for deferred income tax amounting to \$697,000, a previously anticipated liability which is no longer expected to eventuate. The income tax expense before this reversal was \$191,000.

NET TANGIBLE ASSET BACKING

The net tangible asset backing for each issued ordinary share at 31 December 2020 prior to payment of the interim dividends detailed in note 4-2 and before provision for tax on unrealised capital gains was \$31.98 (30 June 2020: \$28.50). The net tangible asset backing per share after provision for tax on unrealised capital gains was \$27.18 at 31 December 2020 (30 June 2020: \$24.65). The relevant figures as at 31 January 2021 were \$32.35 before provision for capital gains tax and \$27.46 after providing for capital gains tax.

INTERIM DIVIDENDS

The Directors have today declared an interim dividend of 26 cents per Ordinary Share, fully franked, payable on 22 March 2021. An interim dividend of 7.0 cents per Preference Share, fully franked, will be paid on the same date. The Record Date for the interim dividends is 1 March 2021.

INVESTMENTS

Additions to the portfolio totalled only \$35,000 during the half year to 31 December 2020.

The twenty largest investments, at quoted market values, as at 31 December 2020 were:

	\$000's		\$000's
Event Hospitality & Entertainment	292,166	Rio Tinto	17,844
National Australia Bank	49,744	Perpetual	14,772
Commonwealth Bank	47,064	Amcor	13,087
BHP Group	37,514	Telstra	12,914
Westpac Banking Group	34,558	Bank of Queensland	11,081
Wesfarmers	30,714	Coles Group	11,055
James Hardie Industries	23,901	Bendigo & Adelaide Bank	10,412
ANZ Banking Group	22,798	Santos	9,997
Fortescue Metals Group	21,977	Gowing Bros.	9,590
AGL Energy	19,452	APA Group	9,264
			<hr/> 699,904
Total market value of shares and units in listed entities as at 31 December 2020			<hr/> 829,583

The market value of the Group's investment portfolio increased by 13.4% during the six months ended 31 December 2020, after adjusting for acquisitions. This compares to an increase of 11.7% in the S&P/ASX 200 Index over the same period. On a total portfolio return basis (measured by the movement in NTA per share assuming dividends are reinvested), the return for the six months was 14.4% compared to an increase in the S&P/ASX 200 Accumulation Index over the same period of 13.2%. The six months to 31 December 2020 saw some recovery in market values in most industry sectors with the largest market value increases coming from the Group's investment in Event Hospitality & Entertainment, banking sector shares, mining shares and construction materials shares. These increases were partly offset by market value falls for some stocks in the energy and utilities sectors.

CARLTON INVESTMENTS LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT (cont.) FOR THE HALF YEAR ENDED 31 DECEMBER 2020

LEAD AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

The lead auditor's independence declaration is attached and forms part of the directors' report for the half year ended 31 December 2020.

ROUNDING OFF

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

This report is made in accordance with a Resolution of the Board of Directors and is signed for and on behalf of the Directors on 16 February 2021.



A G RYDGE
Chairman of Directors
16 February 2021



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

To the Directors of Carlton Investments Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Carlton Investments Limited for the half-year ended 31 December 2020 there have been:

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

KPMG

D M McLennan

Partner

Sydney

16 February 2021



Independent Auditor's Review Report

To the shareholders of Carlton Investments Limited

Conclusion

We have reviewed the accompanying **Half-year Financial Report** of Carlton Investments Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Half-year Financial Report of Carlton Investments Limited does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 31 December 2020 and of its performance for the Half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Half-year Financial Report** comprises:

- Consolidated statement of financial position as at 31 December 2020;
- Consolidated income statement and Consolidated statement of comprehensive income, Consolidated statement of changes in equity and Consolidated statement of cash flows for the Half-year ended on that date;
- Notes 1-1 to 5-1 comprising a summary of significant accounting policies and other explanatory information; and
- The Directors' Declaration.

The **Group** comprises Carlton Investment Limited (the Company) and the entities it controlled at the Half year's end or from time to time during the Half-year.

Basis for Conclusion

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

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.



Responsibilities of the Directors for the Half-year Financial Report

The Directors of the Company are responsible for:

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

Auditor's Responsibilities for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the Half-year Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Half-year Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2020 and its performance for the Half-Year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

KPMG

D M McLennan

Partner

Sydney

16 February 2021