

Appendix 4D

31 December 2021 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 2021 with the previous corresponding period being the half year to 31 December 2020.

2. Results for announcement to the market

			2021 \$000's	2020 \$000's
Revenue				
Dividends and distributions received - ordinary	Up	84.8% to	15,594	8,438
Dividends received - special	Up	208.2% to	792	257
Interest received	Down	30.3% to	23	33
Sundry Income	Down	100.0% to	-	116
Operating revenue	Up	85.5% to	<u>16,409</u>	<u>8,844</u>
Profit				
Profit before income tax	Up	89.4% to	15,919	8,404
Income tax (expense)/credit	Up	198.8% to	(500)	506
Net profit	Up	73.1% to	<u>15,419</u>	<u>8,910</u>
Dividends				
		Amount per security	Franked amount per security	
Interim dividend	- Ordinary - Preference	40.0 cents 7.0 cents	40.0 cents 7.0 cents	
Half year ended 31 December 2020	- Ordinary - Preference	26.0 cents 7.0 cents	26.0 cents 7.0 cents	
Date of payment of interim dividends				21 March 2022
Record date for determining entitlements to the interim dividends				1 March 2022

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 2021

	Note	Half year to 31 December 2021 \$000	Half year to 31 December 2020 \$000
Dividends and distributions received		16,386	8,695
Interest income		23	33
Sundry Income		-	116
Operating revenue	2-3	16,409	8,844
Administration expenses	2-4	(484)	(434)
Finance costs		(6)	(6)
Operating expenses		(490)	(440)
Profit before income tax expense		15,919	8,404
Income tax (expense)/credit	2-5	(500)	506
Net profit for the half year		15,419	8,910
Basic and diluted earnings per ordinary share	2-1	\$0.582	\$0.337

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 2021**

	Half year to 31 December 2021 \$000	Half year to 31 December 2020 \$000
Net profit for the half year	15,419	8,910
Other Comprehensive Income <i>Items that will not be reclassified to the income statement in the future:</i>		
Increase/(decrease) in fair value of investments	58,071	98,031
(Increase)/decrease in deferred tax liability on change in fair value of investments	(18,050)	(25,126)
Total other comprehensive income/(loss)	40,021	72,905
Total comprehensive income/(loss) for the half year	55,440	81,815

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 2021**

	Note	31 December 2021 \$000	30 June 2021 \$000
CURRENT ASSETS			
Cash		12,669	11,235
Receivables		333	2,602
Investments - term deposits	3-1	9,000	6,000
TOTAL CURRENT ASSETS		22,002	19,837
NON CURRENT ASSETS			
Investments - equities	3-1	1,061,218	1,000,907
Deferred tax assets		28	26
TOTAL NON CURRENT ASSETS		1,061,246	1,000,933
TOTAL ASSETS		1,083,248	1,020,770
CURRENT LIABILITIES			
Payables		151	132
Current tax liabilities		225	392
TOTAL CURRENT LIABILITIES		376	524
NON CURRENT LIABILITIES			
Deferred tax liabilities	2-5	191,117	173,076
Other financial liabilities	3-2	166	166
TOTAL NON CURRENT LIABILITIES		191,283	173,242
TOTAL LIABILITIES		191,659	173,766
NET ASSETS		891,589	847,004
EQUITY			
Issued capital	4-1	20,146	20,146
Reserves		498,708	458,687
Retained earnings		372,735	368,171
TOTAL EQUITY		891,589	847,004

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 2021

Half year to 31 December 2021	Share capital \$000	Revaluation reserve \$000	Retained earnings \$000	Total \$000
Equity as at 1 July 2021	20,146	458,687	368,171	847,004
Dividends paid	-	-	(10,855)	(10,855)
	20,146	458,687	357,316	836,149
Profit for the period	-	-	15,419	15,419
Other comprehensive income:-				
Increase in fair value of investments	-	58,071	-	58,071
Increase in deferred tax liability relating to change in fair value of investments	-	(18,050)	-	(18,050)
Other comprehensive income	-	40,021	-	40,021
Total comprehensive income	-	40,021	15,419	55,440
Total equity as at 31 December 2021	20,146	498,708	372,735	891,589

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 in fair value of investments	-	98,031	-	98,031
Increase 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

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 2021**

	Half year to 31 December 2021 \$000	Half year to 31 December 2020 \$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Dividends and distributions received	18,657	9,493
Interest received	23	49
Other income	-	116
Cash paid for operating expenses	(467)	(420)
Income tax paid	(678)	(809)
NET CASH PROVIDED BY OPERATING ACTIVITIES	17,535	8,429
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for acquisitions of investments	(3,795)	(35)
Proceeds from capital returns and disposal of assets	1,555	-
Net increase in term deposits	(3,000)	-
NET CASH USED IN INVESTING ACTIVITIES	(5,240)	(35)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(10,855)	(14,826)
Finance costs	(6)	(6)
NET CASH USED IN FINANCING ACTIVITIES	(10,861)	(14,832)
NET INCREASE/(DECREASE) IN CASH HELD	1,434	(6,438)
CASH AT BEGINNING OF FINANCIAL PERIOD	11,235	21,581
CASH AT END OF FINANCIAL PERIOD	12,669	15,143

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 2021

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 2021 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 15 February 2022.

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 2021 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 2021

	Half year to 31 December 2021 \$000	Half year to 31 December 2020 \$000
SECTION 2 – EARNINGS AND COSTS		
2-1 EARNINGS PER SHARE		
Basic and diluted earnings per ordinary share (cents per share)	\$0.582	\$0.337
RECONCILIATION OF EARNINGS USED IN THE CALCULATION OF EARNINGS PER SHARE		
Earnings used in the calculation of basic and diluted earnings per ordinary share	15,419	8,910
	Number	Number
Weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share	26,474,675	26,474,675
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	15,594	8,438
Dividends received - special	792	257
Interest received or due and receivable from other parties	23	33
Other income	-	116
	16,409	8,844
2-4 ADMINISTRATION EXPENSES		
Administration expenses include:		
Directors' fees and employee benefits	280	270
Other administration expenses	159	118
	439	388
Audit services: KPMG		
Audit and review of financial report	33	32
Other services: KPMG		
Taxation services	12	14
	45	46
	484	434

CARLTON INVESTMENTS LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2021

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 2021 \$000	Half year to 31 December 2020 \$000
Income tax expense		
Prima facie income tax expense calculated at 30% (2020: 30%) on profit before tax	4,776	2,521
<i>Increase/(decrease) in income tax expense due to:</i>		
Imputation gross up on dividends received	2,067	1,043
Franking credits on dividends received	(6,890)	(3,475)
Difference in timing of recognition of dividend income for accounting and tax	637	222
Other	(90)	(120)
	500	191
Reversal of prior year deferred income tax Provision no longer required	-	(697)
Income tax expense/(credit)	500	(506)
	31 December 2021 \$000	30 June 2021 \$000
Deferred tax liability		
Capital gains tax on unrealised investment gains	191,077	173,011
Other temporary differences on timing of recognition of dividend and trust distribution income and income tax payable	40	65
	191,117	173,076

CARLTON INVESTMENTS LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2021

	31 December 2021 \$000	30 June 2021 \$000
SECTION 3 – ASSETS AND LIABILITIES		
3-1 INVESTMENTS		
Current		
Term deposits	<u>9,000</u>	<u>6,000</u>

Term deposits had maturity periods of between 47 to 75 days from 31 December 2021 and at that date were paying interest at rates between 0.33% and 0.42%. 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>1,061,218</u>	<u>1,000,907</u>

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 \$3,795,000 (2020: \$35,000) and \$1,555,000 (2020: \$nil) was received from capital returns and investment disposals.

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>

82,978 (30 June 2021: 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 2021

	31 December 2021 \$000	30 June 2021 \$000
SECTION 4 – SHARE CAPITAL AND DIVIDENDS PAID		
4-1 ISSUED CAPITAL		
Issued and Paid Up Capital		
26,474,675 (30 June 2021: 26,474,675) ordinary shares fully paid	20,146	20,146
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	20,146	20,146

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 2022. There were no shares bought back during the half year ended 31 December 2021 or year to 30 June 2021.

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
2021 final dividend – ordinary shares	41.0	<u>10,855</u>	Franked	20 September 2021

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

2022 interim dividend – ordinary shares	40.0	<u>10,590</u>	Franked	21 March 2022
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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 2021, will be recognised in the 30 June 2022 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 2022 interim dividends declared after 31 December 2021 refer note 4-2 above.


CARLTON INVESTMENTS LIMITED AND ITS CONTROLLED ENTITIES


DIRECTORS' DECLARATION FOR THE HALF YEAR ENDED 31 DECEMBER 2021

- 1 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 2021 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 15 February 2022

Signed in accordance with a resolution of the Directors:


A G RYDGE


M E BLEACH

:DIRECTORS

CARLTON INVESTMENTS LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2021

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 2021 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 former Chairman of the Nominations and Remuneration Committee and Chairman of the Audit and Risk Committee until 7 December 2021	Independent Non-Executive Director since 2000
Mr Murray E Bleach - Chairman of the Nominations and Remuneration Committee and Chairman of the Audit and Risk Committee since 7 December 2021	Independent Non-Executive Director since 2014

CONSOLIDATED OPERATING PROFIT

The consolidated net profit for the half year to 31 December 2021 attributable to the members of Carlton Investments Limited was:

	31 December 2021 \$000	31 December 2020 \$000
Profit before income tax	15,919	8,404
Income tax (expense)/credit thereon	(500)	506
Net profit for the half year	<u>15,419</u>	<u>8,910</u>

REVIEW OF OPERATIONS

Net profit for the half year to 31 December 2021 was \$15,419,000, representing an increase of \$6,509,000 or 73% on the previous corresponding half year period. Dividends and distributions received and receivable of \$16,386,000 increased by \$7,691,000 or 88.5%. The largest increases in dividends came from investments in banks, who had paid conservative dividends in the prior half year period, and mining companies whose dividends increased significantly following strong trading results. Included in dividends received were special dividends of \$792,000 compared to \$257,000 in the previous corresponding half year. Consistent with the prior half year period, no dividend was received from the Group's largest investment, Event Hospitality and Entertainment ("Event"). The businesses of Event have been greatly impacted by public health restrictions due to the COVID pandemic. Event has also announced that they will not be paying an interim dividend in March 2022 in respect of the half year to 31 December 2021. Dividend and distribution income for the half year to 31 December 2021 was 30.4% below, the pre-pandemic, amount received in the half year to 31 December 2019. With continuing low interest rates on offer, interest income totalled only \$23,000 for the half year, down \$10,000 on the prior period.

CARLTON INVESTMENTS LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT (cont.) FOR THE HALF YEAR ENDED 31 DECEMBER 2021

REVIEW OF OPERATIONS (continued)

In the prior period income tax for the period to 31 December 2020 was a credit balance of \$506,000 and included a one-off reversal of a provision for deferred income tax amounting to \$697,000, a previously anticipated income tax liability which will no longer eventuate. The income tax expense for the half year to 31 December 2021 was \$500,000, an increase of \$1,006,000 compared to the prior period credit balance.

NET TANGIBLE ASSET BACKING

The net tangible asset backing for each issued ordinary share at 31 December 2021 prior to payment of the interim dividends detailed in note 4-2 and before provision for tax on unrealised capital gains was \$40.89 (30 June 2021: \$38.53). The net tangible asset backing per share after provision for tax on unrealised capital gains was \$33.68 at 31 December 2021 (30 June 2021: \$31.99). The relevant figures as at 31 January 2022 were \$38.47 before provision for capital gains tax and \$31.96 after providing for capital gains tax.

INTERIM DIVIDENDS

The Directors have today declared an interim dividend of 40 cents per Ordinary Share, fully franked, payable on 21 March 2022. 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 2022.

INVESTMENTS

Additions to the portfolio totalling \$3,795,000 were made during the half year to 31 December 2021. Major additions to the portfolio were additional shares purchased in South32, Telstra and Transurban plus a new investment in Ramsay Health Care. A capital return of \$1,219,000 was received from Wesfarmers during the period and consideration from the disposal of investments totalled \$336,000.

The twenty largest investments, at quoted market values, as at 31 December 2021 were:

	\$000's		\$000's
Event Hospitality & Entertainment	455,027	Bank of Queensland	16,264
National Australia Bank	63,479	Rio Tinto	16,104
Commonwealth Bank	57,891	Perpetual	15,286
Westpac Banking Group	38,090	Gowing Bros.	14,621
BHP Group	36,692	Amcor	14,094
Wesfarmers	36,138	Coles Group	10,933
James Hardie Industries	34,583	Bendigo & Adelaide Bank	10,166
ANZ Banking Group	27,628	Santos	10,060
Telstra	19,159	AGL	9,994
Fortescue Metals Group	18,019	Bluescope Steel	9,859
			<u>914,087</u>
Total market value of shares and units in listed entities as at 31 December 2021			<u>1,061,218</u>

The market value of the Group's investment portfolio increased by 5.8% during the six months ended 31 December 2021, after adjusting for acquisitions, disposals and capital returns. This compares to an increase of 1.8% 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 7.2% compared to an increase in the S&P/ASX 200 Accumulation Index over the same period of 3.8%. During the half year period to 31 December 2021 we saw an initial strong recovery in the market value of Event Hospitality and Entertainment shares, however Event's share price fell back a little during the last two months of the period. Market value movements across the balance of the portfolio were mixed, with share price market values for the larger miners and some banks falling back during the half year.

CARLTON INVESTMENTS LIMITED AND ITS CONTROLLED ENTITIES

**DIRECTORS' REPORT (cont.)
FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

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 2021.

ROUNDING OFF

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and, in accordance with that 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 15 February 2022.



A G RYDGE
Chairman of Directors
15 February 2022



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 2021 there have been:

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

KPMG

D M McLennan

Partner

Sydney

15 February 2022



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 2021 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 2021;
- Consolidated income statement, 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 these requirements.



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 2021 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

15 February 2022