

**MILTON CORPORATION LIMITED**  
ABN 18 000 041 421  
**APPENDIX 4E PRELIMINARY FINAL REPORT**  
**RESULTS FOR ANNOUNCEMENT TO THE MARKET**  
**YEAR ENDED 30 JUNE 2014**

(Comparative figures being for the year ended 30 June 2013)

(Per share comparative figures have been restated to reflect the 5 for 1 share split in October 2013)

**Dividends**

**Ø Fully franked ordinary dividends**

The final dividend is 9.4 cents per share, up 9.3%.

The interim dividend was 8.2 cents per share, up 5.1% and paid on 4 March 2014.

**Ø Fully franked special dividend**

The special dividend is 0.4 cents per share, down 20%.

The record date for the final and special dividends is 18 August 2014.

The payment date of the final and special dividends is 3 September 2014.

The Dividend Reinvestment Plan is in operation for the final and special dividends.

**Earnings**

**Ø Profit after tax:**

Up 8.2% to \$117.4 million (excluding special investment revenue and acquisition costs).

Up 8.2% to \$120.3 million (including special investment revenue and acquisition costs).

**Ø Earnings per share, basic and diluted:**

Up 5.5% to 18.8 cents (excluding special investment revenue and acquisition costs).

Up 5.5% to 19.3 cents (including special investment revenue and acquisition costs).

**Revenue**

Ø Operating revenue up 7.1% to \$120.1 million.

Ø Special investment revenue up 11.2% to \$3.0 million.

**Net tangible asset backing per share (NTA)**

Ø Up 11.9% to \$4.35 (before provision for tax on unrealised capital gains).

Ø Up 9.6% to \$3.86 (after provision for tax on unrealised capital gains).

**Share Purchase Plan**

Ø The Share Purchase Plan is on offer to shareholders on the register on 23 July 2014.

*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.*

## **Dividend Reinvestment Plan (DRP)**

The DRP will operate for both the final dividend and the special dividend.

Eligible Shareholders may elect to have all or part of their dividend payment reinvested in new ordinary shares.

Pricing of the new DRP shares will be equal to the volume weighted average selling price (VWAP) over the five day period commencing on 19 August 2014 being the first trading day after the Record Date.

The last day for the receipt of an election notice for participation in the DRP is 19 August 2014.

## **Share Purchase Plan (SPP)**

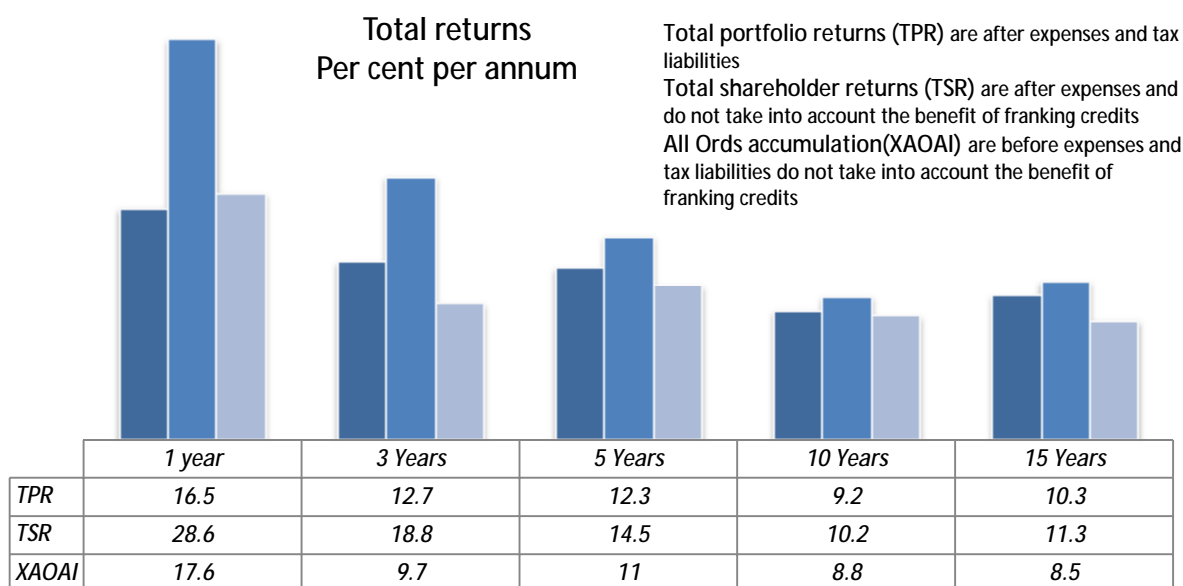
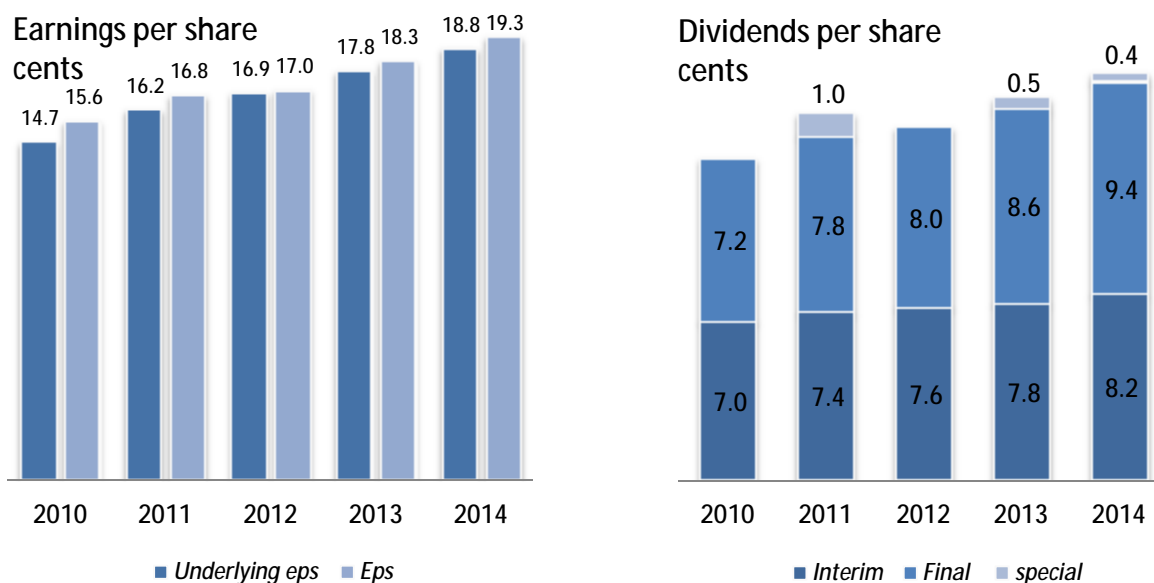
The SPP is offered to eligible shareholders on the register on the 23 July 2014.

Shareholders may apply for new shares with a total market value of up to \$15,000.

The issue price of the shares will be at a 2.5% discount to volume weighted average share price for the 3 business days following the dividend ex date of 14 August 2014.

Further details will be provided to eligible shareholders on 3 September.

## **Performance charts**



# MILTON CORPORATION LIMITED

ABN 18 000 041 421

Level 4  
50 Pitt Street  
Sydney NSW 2000

PO Box R1836  
Royal Exchange NSW 1225

Telephone: (02) 8006 5357  
Facsimile: (02) 9251 7033  
Email: [general@milton.com.au](mailto:general@milton.com.au)  
Website: [www.milton.com.au](http://www.milton.com.au)  
ASX code: MLT

Share Registry Enquiries: 1800 641 024

## ASX+MEDIA RELEASE

**24 JULY 2014**

### HIGHLIGHTS

- Ordinary fully franked final dividend of 9.4 cents per share - up 9.3% on prior year
- Special fully franked dividend of 0.4 cents per share
- Earnings per share of 19.3 cents - up 5.5% on prior year
- Earnings per share (excluding special investment revenue) of 18.8 cents - up 5.5% on 2013
- Share Purchase Plan with discount of 2.5%
- DRP to operate for the ordinary final dividend and the special dividend

### Dividends

Milton Corporation Limited, an Australian listed investment company, has extended its record of paying increasing fully franked ordinary dividends by lifting the final dividend by 9.3% to 9.4 cents per share.

Milton's managing director, Mr Frank Gooch, said, "Many shareholders are attracted to Milton's reliable fully franked dividend, its exposure to a diversified portfolio of companies listed on the ASX, and its low cost of operation."

An increase in underlying operating profit, which excludes special investment revenue, resulted in the full year ordinary dividend being lifted by 7.3% to 17.6 cents per share.

"Special investment revenue earned each year can vary substantially so Milton has a policy to pass on this irregular income in the form of special dividends to its shareholders when this revenue accumulates to a material amount", Mr Gooch said.

In the 2014 financial year special dividends totalling more than \$2.9 million were received with the major contributors being Westpac, Trust Company, Suncorp Group and Macquarie Group. This has provided the opportunity to pay a special fully franked dividend of 0.4 cents per share.

Milton shares will trade "cum" the final dividend and special dividend until 14 August 2014 and both dividends will be paid on 3 September 2014.

The Dividend Reinvestment Plan will operate for the final and special dividends. Shareholders may elect to have all or part of their dividend payment reinvested in new ordinary shares. The pricing of the new DRP shares will be based on the volume weighted average selling price of Milton shares over the five day period commencing on 19 August 2014 being the first trading day after the Record Date. The last day for the receipt of an election notice for participation in the plan is 19 August 2014

## **Full year profit**

Profit after tax including special investment revenue was up 8.2% to \$120.3 million. Excluding the special investment revenue, the underlying operating profit was \$117.4 million, also up 8.2%.

Ordinary dividend and distribution income was 8% higher than the previous year with 4% derived from net dividend increases from the portfolio and 4% from additions to the portfolio.

Additions to the portfolio were partly funded by additional capital issued through the share purchase plan and also from the acquisition of an unlisted investment company in February 2014.

Milton's weighted average earnings per share increased by 5.5%. Excluding the special investment revenue, the underlying weighted average earnings per share were 18.8 cps compared to 17.8 cents per share in 2013.

## **Net assets**

At 30 June 2014 the company's net assets, before provision for tax on unrealised capital gains, were valued at \$2.7 billion. The assets principally comprised an investment portfolio of Australian listed equities with a total market value of \$2.6 billion and liquid assets, such as cash and term deposits, of \$0.1 billion.

The companies and trusts in the investment portfolio are held for the long term and there is no intention to dispose of the investment portfolio, however the accounting standards require a provision be set aside for the capital gains tax that may arise if the portfolio was realised. At 30 June 2014 this provision was \$0.3 billion.

Milton's net tangible assets per share, before provision for tax on unrealised capital gains (NTA), were \$4.35 at 30 June 2014.

Net tangible assets per share, after provision for tax on unrealised capital gains were \$3.86 at 30 June 2014.

## **Total returns**

Milton's Total Portfolio Return (TPR), which is the combination of the movement in NTA and the dividends paid during the year, was 16.5%. This return is net of all operating costs and tax liabilities. The accumulation return of the All Ordinaries Index, which is not adjusted for any costs or tax, was 17.6%.

During the year the Milton share price increased at a greater rate than its NTA and so the Total Shareholder Return over the year of 28.6% was higher than the TPR.

## **Portfolio movements**

During the year an additional \$94 million was invested in 43 companies and the February 2014 acquisition of an unlisted investment company lifted total investments by a further \$14 million.

The larger investments during the year included: Bank of Queensland, Carsales.com, Equity Trustees, Insurance Australia Group, Rio Tinto and Transurban Group.

Companies added to the portfolio during the year were Carsales.com and WDS.

Companies in the portfolio that were affected by demergers or corporate activity included Amcor, Brambles, Trust Company, Westfield Retail Trust and Westfield Group. As a result of this activity the portfolio now includes Orora, Scentre Group and Westfield Corporation. Milton elected to receive \$24 million worth of Perpetual scrip as consideration for the merger with Trust Company.

During the year holdings of QBE Insurance Group and Metcash were reduced whilst holdings in Alumina, APN News & Media and Fairfax Media were removed from the portfolio.

### **Share Purchase Plan**

The Share Purchase Plan (SPP) is being offered to shareholders on the register on 23 July 2014. In accordance with the SPP rules shareholders may apply for new shares with a total market value of up to \$15,000. The shares will be issued at a discount of 2.5% to the volume weighted average share price for the three days immediately after the shares trade ex dividend. Further details will be forwarded to eligible shareholders on 3 September 2014.

### **Outlook**

The outlook for Australian corporates continues to be affected by much uncertainty which is unlikely to be resolved in the short term. However many companies have restructured their operations so that they operate more efficiently and should benefit as conditions improve.

Currently, consensus estimates for the market indicate that earnings and dividends will increase over the year ahead.

In the absence of unforeseen circumstances directors expect to be able to at least maintain Milton's full year ordinary dividend rate of 17.6 cents per share.

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**ISSUED FOR** : **MILTON CORPORATION LIMITED**

**FOR FURTHER  
INFORMATION**

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

## BACKGROUND

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

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

Milton's management expense ratio (MER) at 30 June 2014 was 0.13 % p.a.

## MILTON'S INVESTMENT PROFILE

The 25 largest investments at 30 June 2014 are set out below.

COMPANY	MARKET VALUE \$'000	COMPANY	MARKET VALUE \$'000
Westpac Banking Corporation	354.1	Suncorp Group	41.6
Commonwealth Bank	245.3	CSL Limited	39.4
National Australia Bank	144.4	AGL Energy Limited	37.0
W H Soul Pattinson	135.3	Woodside Petroleum	33.8
BHP Billiton Limited	121.4	Rio Tinto	33.7
Wesfarmers Limited	119.8	AP Eagers	33.3
ALS Limited	99.5	QBE Insurance	28.5
ANZ Banking Group	99.0	IAG Insurance	28.1
Woolworths Limited	96.0	Macquarie Group	27.8
Bank of Queensland	89.1	TPG Telecom	20.6
Telstra Corporation	70.9	Santos Limited	20.3
Bendigo and Adelaide Bank	69.7	Total market value of Top 25	2,097.2
Perpetual Limited	64.4		
Brickworks Limited	44.2	Total Assets	2,748.5

## CLASSIFICATION OF ASSETS

The following table shows assets at 30 June 2014 classified by Global Industry Classification Standard ("GICS") as adopted by the ASX.

CLASSIFICATION	TOTAL ASSETS %	CLASSIFICATION	TOTAL ASSETS %
Banks	36.7	Real estate	2.2
Consumer staples	9.6	Healthcare	2.2
Materials	9.4	Capital goods	1.7
Energy	7.6	Other shares	6.8
Diversified financials	5.7	Total shares	93.7
Insurance	4.4	Cash & liquid assets	4.2
Commercial services	4.1	Other assets	2.1
Telecommunication	3.3	Total	100.0

**Milton Corporation Limited**  
**Consolidated income statement**  
**for the year ended 30 June 2014**

	Note	2014 \$'000	2013 \$'000
Ordinary dividends and distributions	2a	114,281	105,839
Interest		4,717	5,637
Net gains on trading portfolio		785	293
Other revenue		310	412
<b>Operating Revenue</b>		<b>120,093</b>	112,181
Share of net profits of joint ventures – equity accounted	19b	6,412	5,013
Special dividends and distributions	2b	3,050	2,744
Income from operating activities		<b>129,555</b>	119,938
Administration expenses		<b>(3,347)</b>	(3,214)
Acquisition related costs of subsidiaries		<b>(58)</b>	(46)
<b>Profit before income tax expense</b>		<b>126,150</b>	116,678
Income tax expense thereon	3	<b>(5,856)</b>	(5,461)
<b>Profit attributable to shareholders of Milton</b>		<b>120,294</b>	111,217
		<b>Cents</b>	Cents
Basic and diluted earnings per share	7	<b>19.27</b>	18.26 <sup>(1)</sup>

<sup>(1)</sup>The basic and diluted earnings per share in the 2013 financial statement were 91.3cps. This number has been adjusted to account for the increase in number of shares as a result of the 5 for 1 share split in October 2013.

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

**Milton Corporation Limited**  
**Consolidated statement of comprehensive income**  
**for the year ended 30 June 2014**

	<b>2014</b>	2013
	<b>\$'000</b>	\$'000
<b>Profit</b>	<b>120,294</b>	111,217
Other comprehensive income		
<i>Items that will not be reclassified to profit and loss</i>		
Revaluation of investments	<b>278,786</b>	351,997
Provision for tax expense on revaluation of investments	<b>(85,717)</b>	(105,991)
	<hr/>	<hr/>
Other comprehensive income, net of tax	<b>193,069</b>	246,006
	<hr/>	<hr/>
<b>Total comprehensive income for the period attributable to the shareholders of Milton</b>	<b>313,363</b>	<b>357,223</b>

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



**Milton Corporation Limited**  
**Consolidated statement of financial position**  
**as at 30 June 2014**

	Note	2014 \$'000	2013 \$'000
<b>Current assets</b>			
Cash	8	116,193	114,804
Receivables	9a	22,758	23,170
Other financial assets	10	10,046	14,410
<b>Total current assets</b>		<b>148,997</b>	<b>152,384</b>
<b>Non-current assets</b>			
Receivables	9b	3,409	2,925
Investments	11	2,574,965	2,202,530
Joint ventures – equity accounted	19c	20,644	19,664
Plant and equipment		50	52
Deferred tax assets	12	466	538
<b>Total non-current assets</b>		<b>2,599,534</b>	<b>2,225,709</b>
<b>Total assets</b>		<b>2,748,531</b>	<b>2,378,093</b>
<b>Current liabilities</b>			
Payables		882	834
Current tax liabilities		1,122	1,112
Provisions		61	60
<b>Total current liabilities</b>		<b>2,065</b>	<b>2,006</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	13	309,177	223,282
Provisions		439	412
<b>Total non-current liabilities</b>		<b>309,616</b>	<b>223,694</b>
<b>Total liabilities</b>		<b>311,681</b>	<b>225,700</b>
<b>Net assets</b>		<b>2,436,850</b>	<b>2,152,393</b>
<b>Shareholders' equity</b>			
Issued capital	14	1,462,552	1,384,438
Capital profits reserve		78,815	91,332
Asset revaluation reserve		718,044	512,458
Retained profits		177,439	164,165
<b>Total equity attributable to shareholders of Milton</b>		<b>2,436,850</b>	<b>2,152,393</b>

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

**Milton Corporation Limited**  
**Consolidated statement of changes in equity**  
**for the year ended 30 June 2014**

	Issued capital	Capital profits reserve	Asset revaluation reserve	Retained profits	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2013	1,384,438	91,332	512,458	164,165	2,152,393
Profit	-	-	-	120,294	120,294
Other Comprehensive Income:	-	-	193,069	-	193,069
Total comprehensive income	-	-	193,069	120,294	313,363
Net realised losses	-	(12,517)	12,517	-	-
Transactions with shareholders:					
Share issues	78,114	-	-	-	78,114
Dividends paid	-	-	-	(107,020)	(107,020)
Balance at 30 June 2014	<u>1,462,552</u>	<u>78,815</u>	<u>718,044</u>	<u>177,439</u>	<u>2,436,850</u>
Balance at 1 July 2012	1,373,857	98,411	259,373	149,032	1,880,673
Profit	-	-	-	111,217	111,217
Other Comprehensive Income:	-	-	246,006	-	246,006
Total comprehensive income	-	-	246,006	111,217	357,223
Net realised losses	-	(7,079)	7,079	-	-
Transactions with shareholders:					
Share issues	10,581	-	-	-	10,581
Dividends paid	-	-	-	(96,084)	(96,084)
Balance at 30 June 2013	<u>1,384,438</u>	<u>91,332</u>	<u>512,458</u>	<u>164,165</u>	<u>2,152,393</u>

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

**Milton Corporation Limited**  
**Consolidated statement of cash flows**  
**for the year ended 30 June 2014**

	Note	2014 \$'000	2013 \$'000
<b>Cash flows from operating activities</b>			
Dividends and distributions received		116,640	105,553
Interest received		5,254	5,782
Distributions received from joint venture entities		6,383	4,700
Other receipts in the course of operations		261	412
Proceeds from sales of trading securities		935	583
Payments for trading securities		(150)	(202)
Other payments in the course of operations		(3,248)	(3,149)
Income taxes paid		(5,483)	(5,496)
<b>Net cash provided by operating activities</b>	18a	<u>120,592</u>	<u>108,183</u>
<b>Cash flows from investing activities</b>			
Proceeds from disposal of investments		19,479	22,062
Payments for investments in equities and trusts		(94,407)	(36,470)
Payments for investments in joint ventures		(950)	(1,009)
Cash on acquisition of subsidiaries		118	67
Payments for acquisition of subsidiaries		(58)	(46)
Payments for plant and equipment		(15)	(5)
Loans repaid by other entities		202	790
Loans advanced to other entities		(689)	(284)
<b>Net cash used in investing activities</b>		<u>(76,320)</u>	<u>(14,895)</u>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares		64,363	-
Payments for issue of shares		(226)	(18)
Ordinary dividends paid		(107,020)	(96,084)
<b>Net cash used in financing activities</b>		<u>(42,883)</u>	<u>(96,102)</u>
<b>Net increase (decrease) in cash assets held</b>		1,389	(2,814)
<b>Cash assets at the beginning of the year</b>		<u>114,804</u>	<u>117,618</u>
<b>Cash assets at the end of the year</b>	8	<u>116,193</u>	<u>114,804</u>

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

# Milton Corporation Limited

## Notes to the consolidated financial statements for the year ended 30 June 2014

### 1. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements include the consolidated entity ("Milton") consisting of Milton Corporation Limited and its subsidiaries.

#### 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 and the Corporations Act 2001.

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

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

New and amended standards adopted:

Milton adopted AASB 13- *Fair Value Measurement* and AASB 2011-8 *Amendments to Australian Accounting Standards arising from AASB-13* which is mandatory for annual reporting periods beginning on or after 1 January 2013. These standards were adopted for the half year reporting period commencing 1 July 2013 which explain how to measure fair value and enhance fair value disclosures. Although, there is no effect on the measurement of Fair Value of Milton's assets and liabilities, Milton has enhanced its disclosures on fair value measurements of its quoted investments under note 1(g) below as per the requirements of these two new standards.

AASB-9 *Financial Instruments Standard* which applies to annual reporting periods beginning from January 2017, was early adopted by Milton since the 2010 financial year. No other new accounting standards and interpretations that are available for early adoption but not yet adopted at 30 June 2014, will result in any material change in relation to the financial statements of Milton.

#### b. Basis of consolidation

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

##### i) Subsidiaries

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

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

## 1. Summary of significant accounting policies (continued)

### ii) Joint arrangements

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. 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.

### c. Income tax

The income tax expense 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 between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax is recognised using the balance sheet method.

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

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

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

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

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

Milton Corporation Limited (the 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.

### d. Cash

Cash includes cash at bank, deposits at call and term deposits, and is recognised at fair value.

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

### e. Trading securities

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

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

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

## 1. Summary of significant accounting policies (continued)

### f. Other liquid securities

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

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

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

Distribution income from these securities is brought to account on the day that these securities trade "ex-dividend".

### g. Investments

#### *Subsidiaries*

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

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

#### *Other companies*

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

Quoted investments are valued continuously at fair value, which is 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.

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

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

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

### h. Employee benefits

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

Under the Employee Share Plan, shares are acquired for employees as part of their remuneration and the cost of the shares is recorded in employee benefit expenses (refer note 17a).

Under the Senior Staff Share Plan, shares are acquired for eligible employees as part of their remuneration and held on their behalf by the trustee of the Plan. The purchase of the Plan Shares is financed by a loan from Milton (refer note 17b).

### i. Operating segments

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

### j. Business Combinations

The acquisition method of accounting has been used to account for all business combinations, regardless of equity instruments or other assets acquired. The business combinations have been accounted from the date Milton attained control of the subsidiaries. The considerations transferred for the acquisitions comprise of 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.

## 1. Summary of significant accounting policies (continued)

### k. Critical accounting estimates and judgments

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

- (i) Offset deferred tax assets from realised capital losses 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 13. Any tax liability that may arise on disposal of investments is subject to tax legislation relating to the treatment of capital gains and the applicable tax rate at the time of disposal.

Deferred tax assets have been recognised relating to carried forward capital losses, based on current tax rates. Utilisation of the tax losses requires the realisation of capital gains in subsequent years and the ability to satisfy certain tests at the time the losses are recouped. The deferred tax assets related to carried forward capital losses have been offset against the related deferred tax liabilities as disclosed in note 13.

- (ii) Classification of joint arrangements as joint ventures:

Milton engages in property development joint ventures through its wholly owned subsidiaries. It has non controlling interests in three property development joint venture partnerships through separate joint venture entities.

Each joint venture partnership agreement provides that partners have rights to the net assets of the partnership.

Accordingly, the directors have determined that each joint venture partnership is to be classified as a joint venture and accounted for using the equity method.

Apart from (i) and (ii) above, 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.

	2014 \$'000	2013 \$'000
<b>2. Revenue</b>		
<b>a. Ordinary dividends and distributions from</b>		
Investments held in portfolio at 30 June	114,104	105,620
Investments sold during the year	177	219
	<u>114,281</u>	<u>105,839</u>
<b>b. Special dividends and distributions from</b>		
Investments held in portfolio at 30 June	3,050	2,744
Investments sold during the year	-	-
	<u>3,050</u>	<u>2,744</u>
<b>3. Income tax expense</b>		
Prima facie income tax expense calculated at 30% on the profit before income tax expense	37,845	35,003
Increase (decrease) in income tax expense due to:		
Tax offset for franked dividends	(31,892)	(29,148)
Non taxable distributions	-	(412)
(Over)/Under provision in prior year	(148)	10
Other differences	51	8
Income tax expense on profit	<u>5,856</u>	<u>5,461</u>
<b>4. Auditor's remuneration</b>		
Auditors of the company		
Audit and review services	107	104
Related practice of the auditor		
Due diligence	19	10
Liquidation of non-operating subsidiary	2	-
	<u>128</u>	<u>114</u>
<b>5. Ordinary and special fully franked dividends</b>		
<b>a. Recognised in the current year</b>		
A final ordinary dividend of 43 <sup>(1)</sup> cents per share in respect of the 2013 year paid on 4 September 2013 (2012: an ordinary final dividend in respect of the 2012 year of 40 <sup>(1)</sup> cents per share paid on 4 September 2012)	52,523	48,650
A special dividend of 2.5 <sup>(1)</sup> cents per share in respect of 2013 year paid on 4 September 2013 (2012: Nil)	3,054	-
An ordinary interim dividend of 8.2 cents per share paid on 4 March 2014 (2013: 7.8) <sup>(2)</sup> cents per share paid on 6 March 2013)	51,443	47,434
	<u>107,020</u>	<u>96,084</u>
<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 2014 year of 9.4 cents per share and special dividend of 0.4 cents per share payable on 3 September 2014 (2013: ordinary final dividend of 8.6 <sup>(2)</sup> cents per share and special dividend of 0.5 <sup>(2)</sup> cents per share paid on 4 September 2013)	61,821	55,577

<sup>(1)</sup>Dividends paid on the number of shares prior to the share split.

<sup>(2)</sup>Comparatives adjusted to reflect the increase in number of shares as a result of the share split.



	2014 \$'000	2013 \$'000
<b>5. Ordinary and special fully franked dividends (continued)</b>		
<b>c. Dividend franking account</b>		
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	116,757	111,550
Subsequent to year end, the franking account will be reduced by the proposed final and special dividends to be paid on 3 September 2014 (2013: final and special dividends)	<u>(26,495)</u>	<u>(23,819)</u>
	<u>90,262</u>	<u>87,731</u>

The franking account balance would allow Milton to frank additional dividend payments up to an amount of \$210,611,044 (2013:\$204,705,527) which represents 33 cents per share (2013: 34<sup>(1)</sup> cents per share).

**6. Listed Investment Company capital gain account**

Balance of the Listed Investment Company (LIC) capital gain account available to shareholders for the subsequent financial year

<u>1,255</u>	<u>1,190</u>
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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.

	cents	cents
<b>7. Earnings per share</b>		
Basic earnings per share	<u>19.27</u>	<u>18.26<sup>(1)</sup></u>
	<b>\$'000</b>	<b>\$'000</b>
Profit attributable to shareholders of the parent entity	<u>120,294</u>	<u>111,217</u>
	<b>No.</b>	<b>No.</b>
Weighted average number of ordinary shares used in the calculation of basic earnings per share	<u>624,416,028</u>	<u>609,021,193<sup>(1)</sup></u>

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

	\$'000	\$'000
<b>8. Cash</b>		
Cash at bank	2,257	2,782
Deposits at call	29,718	16,224
Term deposits	<u>84,218</u>	<u>95,798</u>
	<u>116,193</u>	<u>114,804</u>

The weighted average interest rate for cash and deposits at call as at 30 June 2014 is 3.1% p.a. (2013: 3.3% p.a.). Term deposits have an average maturity date of September 2014 (2013: August 2013) and an average interest rate of 3.5% (2013: 4.2% pa).

<sup>(1)</sup> Comparatives adjusted to reflect the increase in number of shares as a result of the 5:1 share split in October 2013.

	2014 \$'000	2013 \$'000
<b>9. Receivables</b>		
<b>a. Receivables – current</b>		
Income receivable	22,754	23,166
Sundry debtors	4	4
	<u>22,758</u>	<u>23,170</u>
<b>b. Receivables – non-current</b>		
Senior staff share plan loans (refer note 17b)	<u>3,409</u>	<u>2,925</u>
<b>c. Terms and conditions</b>		
Sundry debtors are due within 30 days and no interest is charged.		
<b>10. Other financial assets</b>		
Other liquid securities - at fair value	9,857	14,205
Prepaid expenses	189	205
	<u>10,046</u>	<u>14,410</u>
<b>11. Investments – non-current</b>		
Quoted investments - at fair value	2,574,894	2,202,504
Unquoted investments - at fair value	71	26
	<u>2,574,965</u>	<u>2,202,530</u>
<b>a. Included in quoted investments are:</b>		
Shares in other corporations	2,487,638	2,136,433
Stapled securities in other corporations	67,322	45,164
Units in trusts	19,934	20,907
	<u>2,574,894</u>	<u>2,202,504</u>
<b>b. Included in unquoted investments are:</b>		
Units in trusts	71	26
	<u>71</u>	<u>26</u>
<b>c. Investments disposed of during the year</b>		
Fair value at disposal date		
Equity investments	<u>17,811</u>	<u>20,306</u>
Loss on disposal after tax		
Equity investments	<u>(12,517)</u>	<u>(7,179)</u>

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

	2014 \$'000	2013 \$'000
<b>12. Deferred tax assets</b>		
The balance comprises temporary differences attributable to :		
Revenue tax losses carried forward	3	12
Provisions	255	247
Retirement benefit obligations	57	57
Share issue expenses	37	6
Other	114	216
Total deferred tax assets	<u>466</u>	<u>538</u>
Movements:		
Balance at 1 July	538	786
(charged) to the income statement	(140)	(253)
(charged) to equity	68	5
Balance at 30 June	<u>466</u>	<u>538</u>
To be recovered within 12 months	130	128
To be recovered after more than 12 months	336	410
	<u>466</u>	<u>538</u>
<b>13. Deferred tax liabilities</b>		
The balance comprises temporary differences attributable to:		
Amounts recognised directly in equity:		
Revaluation of investments	310,440	223,521
Realised capital losses	(18,499)	(17,348)
Amounts recognised in profit:		
Realised capital gains	832	832
Income receivable which is not assessable for tax until receipt	16,404	16,277
	<u>309,177</u>	<u>223,282</u>
Movements:		
Balance at 1 July	223,282	116,901
Charged to income statement	178	459
Charged to other comprehensive income	85,717	105,991
(Credited) to equity	-	(69)
Balance at 30 June	<u>309,177</u>	<u>223,282</u>
To be settled within 12 months	-	-
To be settled beyond 12 months	309,177	223,282

	2014 \$'000	2013 \$'000
<b>14. Issued capital</b>		
<b>a. Movement in share capital</b>		
Balance at 1 July 2013	1,384,438	1,373,857
Share Purchase Plan	63,563	-
Shares issued as consideration for acquisition	13,910	10,594
Dividend Reinvestment Plan	799	-
Less : Transaction costs (net of tax)	(158)	(13)
Balance at 30 June 2014	<u>1,462,552</u>	<u>1,384,438</u>
<b>b. Movement in number of shares</b>	<b>Number of shares</b>	<b>Number of shares</b>
Balance at 1 July 2013	122,147,119	121,625,655
Share purchase plan	3,324,432	-
Share Split <sup>(1)</sup>	501,886,204	-
Shares issued as consideration for acquisition	3,280,382	521,464
Dividend Reinvestment Plan	187,207	-
<b>Balance at 30 June 2014</b>	<u>630,825,344</u>	<u>122,147,119</u>

<sup>(1)</sup> The 125,471,551 shares held on 18 October 2013 were split on the basis of 5 shares for each existing share resulting in the increase of 501,886,204 shares.

**b. Ordinary shares**

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

**15. Nature and purpose of reserves**

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

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

**16. Management of financial risk**

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

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

**a. Financial instruments' terms, conditions and accounting policies**

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

**b. Net fair values**

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

**c. Credit risk exposures**

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

The risk that a financial loss will occur because a counterparty to a financial instrument fails to discharge an obligation is known as credit risk. The credit risk on 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.

**d. Market risk**

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

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

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.

Investments represent 94% (2013: 93%) 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% (2013: 4.6%) movement in the net assets before provision for tax on unrealised capital gains at 30 June 2014 (2013: 30 June 2013). The net asset backing before provision for tax on unrealised capital gains would move by 20 cents per share at 30 June 2014 (2013: 18 cents at 30 June 2013).

Milton's management regularly 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 exposed to foreign currency risk as all its investments are quoted in Australian dollars.

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

**e. Liquidity risk**

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

Milton manages liquidity risk by monitoring forecast and actual cashflows.

**f. Capital risk management**

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

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

**g. Fair value measurement**

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

## 17. Employee entitlements

### a. Employee Share Plan

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

During the year, 250 shares (2013: 252 shares) were acquired by Milton on behalf of eligible employees under the ESP at a cost of \$4,925 (2013: \$3,999) with a total market value at 30 June 2014 of \$5,675.

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.

During the year, 162,500<sup>(1)</sup> shares (2013: 90,000<sup>(1)</sup> shares) were acquired by the trustee of the plan on behalf of eligible employees under the SSSP at a cost of \$638,857 (2013: \$283,583). The loans to eligible employees are as disclosed in note 9b. The shares acquired by the trustee during the year had a market value of \$737,750 at \$4.54 per share as at 30 June 2014.

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.

No shares were disposed by the trustee during the year. (2013: 237,500<sup>(1)</sup> shares were disposed by the trustee and proceeds of \$646,086 were applied to fully repay loans of the retiring executive).

<sup>(1)</sup>Shares issued adjusted to account for the increase in number of shares as a result of the share split.

	2014	2013
	\$'000	\$'000
<b>18. Note to the cash flow statements</b>		
<b>a. Reconciliation of net profit to net cash provided by operating activities</b>		
Profit	120,294	111,217
Share of net profits of joint ventures – equity accounted	(6,412)	(5,013)
Distributions received from joint venture entities	6,383	4,700
Depreciation of non-current assets	17	19
Acquisition related costs of subsidiaries	58	46
Increase in receivables	(155)	(2,798)
Increase in payables and provisions	34	46
Increase/(decrease) in income taxes payable	373	(34)
Net cash provided by operating activities	<u>120,592</u>	<u>108,183</u>

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

As described in note 21.b Milton acquired an unlisted investment company through the issue of 3,280,382 new Milton shares with a fair value of \$13,909,832 (2013: Issued 521,464 shares to acquire an unlisted investment company with a fair value of \$9,913,031).

## 19. Investment in joint venture entities

### a. Details of joint venture entities

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

	2014	2013
	\$'000	\$'000
<b>b. 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 (2013:33.33%)	6,010	4,610
23.33% interest in the Mews Joint Venture contribution to operating profit before tax (2013:23.33%)	682	415
50% interest in the LWP Huntlee Syndicate No 2 Joint Venture (2013 : 50%)	(280)	(12)
Share of net profits of joint ventures	<u>6,412</u>	<u>5,013</u>
<b>c. Consolidated interest in the assets and liabilities of the joint ventures</b>		
Current assets	21,750	19,060
Non-current assets	11,639	13,106
Current liabilities	(3,578)	(1,866)
Non-current liabilities	(8,624)	(10,093)
	<u>21,187</u>	<u>20,207</u>
Provision for diminution in value	(543)	(543)
Net assets	<u>20,644</u>	<u>19,664</u>

### d. Contingent liabilities and commitments

Each venturer is liable for its share of the debts of the joint ventures. The finance facilities have recourse only to the assets of the joint ventures. The LWP Huntlee Syndicate No 2 Joint Venture was formed in June 2010 and Milton is committed to providing further capital of \$ 0.831 million over the next year (2013: \$1.188 million). Apart from this commitment there are no further financial commitments.

## 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, and throughout, the financial year ended 30 June 2013 the parent entity is Milton Corporation Limited.

<b>Profit of the parent entity</b>	<b>\$'000</b>	<b>\$'000</b>
Profit for the year	115,801	107,715
Total comprehensive income for the year	308,870	353,720

	2014 \$'000	2013 \$'000
<b>20. Parent entity disclosures (continued)</b>		
<b>Financial position of the parent entity as at 30 June</b>		
Current assets	141,319	152,301
Total assets	2,829,893	2,463,731
Current liabilities	80,929	85,020
Total liabilities	393,043	311,338
Net assets	2,436,850	2,152,393
<b>Total equity of the parent entity comprising of</b>		
Issued capital	1,462,552	1,384,438
Capital profits reserves	87,394	99,911
Asset revaluation reserve	765,020	554,940
Retained profits	121,884	113,104
<b>Total equity attributable to shareholders of the parent entity</b>	2,436,850	2,152,393
<b>21. Particulars in relation to subsidiaries</b>		
<b>a. Milton Corporation Limited's subsidiaries</b>		
The following subsidiaries have been included in the consolidated accounts:		
	<b>Interest held %</b>	
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
The parent entity and all subsidiaries are incorporated in Australia.		
<b>b. Acquisition of subsidiaries</b>		
During the year ended 30 June 2014, Milton acquired 100% of the shares of an unlisted investment company for a consideration of 3,280,382 new Milton shares with a fair value of \$13,909,832.		
<b>c. Disposal of subsidiaries</b>		
The unlisted investment company acquired during the year was placed into voluntary liquidation in June 2014. (2013: Unlisted investment company acquired during 2013 year was placed into voluntary liquidation).		
<b>22. Related parties</b>	<b>\$'000</b>	<b>\$'000</b>
<b>a. Directors and Key Management Personnel compensation</b>		
Short-term benefits	1,089	1,140
Other long-term benefits	15	23
Post-employment benefits	100	99
Share-based payments	124	163
	1,328	1,425



## 22. Related parties (continued)

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

Non-executive directors and their related parties held 12.5% (2013:12.8%) of the voting power of Milton as at year end. A number of non-executive directors and their related parties acquired shares in Milton during the year 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 2014.

	2014 No of shares	2013 No of shares
Number of shares at beginning of the year	15,639,656	15,655,002
Adjustment for Share Split in October 2013	62,777,040	-
Acquired during the year	164,604	20,369
Disposed during the year	-	(35,715)
Number of shares held at end of year	<u>78,581,300</u>	<u>15,639,656</u>

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

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

	2014 \$	2013 \$
Balance at beginning of the year	1,888,841	2,400,391
Loans advanced	432,460	236,332
Loan Repaid	(101,763)	(747,882)
Balance at end of the year	<u>2,219,538</u>	<u>1,888,841</u>
Notional interest	<u>124,151</u>	<u>162,008</u>

Terms and conditions of the loans are referred to in note 17b.

### d. Other related party transactions

All non-executive directors have entered into the Deed of Indemnity, Insurance and Access that was approved at the Annual General Meeting held on 10 October 2000. Milton has a Remuneration and Retirement Benefits Deed with each of the non-executive directors except Messrs G.L Crampton and K.J. Eley. 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.

**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.

	2014	2013
	\$	\$
Balance at beginning of the year	84,521,583	72,149,885
Loans advanced from subsidiaries	6,466,875	13,387,148
Loan advanced to subsidiaries	(11,544,331)	(1,015,450)
Balance at end of the year	<u>79,444,127</u>	<u>84,521,583</u>

**Other arrangement with non executive director**

Mr J.F. Church rented office space from Milton at commercial rates from 1 July 2013 to 30 June 2014 and rental income received by Milton during the financial year was \$12,971 (2013: \$13,726).

**23. Contingencies**

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

**24. Events subsequent to reporting date**

Since the end of the financial year, the directors declared an ordinary fully franked final dividend of 9.4 cents per share and a special fully franked dividend of 0.4 cents per share payable on 3 September 2014.

## 25. Holdings at Fair Value through Other Comprehensive Income at 30 June 2014

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

	2014 \$'000	2013 \$'000
<b>Investments in equity instruments</b>		
Adelaide Brighton Limited	8,135	6,925
AGL Energy Limited	37,012	33,373
ALS Limited	99,542	103,855
Alumina Limited	-	485
Amalgamated Holdings Limited	7,291	6,125
Amcor Limited	12,459	11,897
AMP Limited	11,242	9,015
A.P. Eagers Limited	33,307	23,741
APA Group	11,753	6,492
APN News & Media Limited	-	327
ARB Corporation Limited	9,116	8,490
Argo Investments Limited	7,521	5,227
Arrium Limited	3,380	3,116
ASX Limited	17,712	14,939
Austbrokers Holdings Limited	11,058	11,170
Australand Property Group	3,697	2,898
Australia & New Zealand Banking Group Limited		
- ordinary shares	99,021	82,597
- convertible preference shares	2,007	1,975
- capital notes 2	208	199
Australian Foundation Investment Company Limited	8,002	7,095
Automotive Holdings Group Limited	8,188	4,270
Aveo Group (formerly FKP Property Group)	3,086	-
Bank of Queensland Limited	89,061	57,053
Bendigo & Adelaide Bank Limited	69,658	57,497
BHP Billiton Limited	121,418	102,213
BKI Investment Company Limited	2,013	1,629
Blackmores Limited	10,282	10,184
Boral Limited	8,749	6,852
Bradken Limited	3,141	3,475
Brambles Limited	11,772	10,909
Brickworks Limited	44,217	41,079
BWP Trust	3,928	3,068
Cardno Limited	7,614	4,646
Carlton Investments Limited	9,669	7,486
Carsales.com Limited	3,516	-
CFS Retail Property Trust Group	16,006	15,942
Coca-Cola Amatil Limited	13,872	17,377
Cochlear Limited	2,085	1,962
Commonwealth Bank of Australia		
- ordinary shares	245,315	209,482
- PERLS V	102	101
Commonwealth Property Office Fund	-	1,897
Crown Resorts Limited	4,042	3,237
CSL Limited	39,411	36,151
David Jones Limited	1,403	908
Diversified United Investment Limited	1,364	811
Dulux Group Limited	2,236	312
Equity Trustees Limited	9,265	3,509
Finbar Group Limited	4,535	1,481
Fletcher Building Limited	6,570	5,735
Fairfax Media Limited	-	1,600
FKP Property Group	-	1,223
Fleetwood Corporation Limited	532	821
Goodman Group	3,264	902
Goldman Sachs JB Were Collateral Mezzanine Fund	-	5

**25. Holdings at Fair Value through Other Comprehensive Income at 30 June 2014 (continued)**

	<b>2014</b>	2013
	<b>\$'000</b>	\$'000
Graincorp Limited	<b>3,043</b>	4,235
Gresham Private Equity Co-Investment Fund	<b>21</b>	21
GWA Group Limited	<b>5,983</b>	5,460
Insurance Australia Group Limited		
- ordinary shares	<b>28,114</b>	20,577
- convertible preference shares	<b>319</b>	306
IAG Finance(NZ) Limited Perpetual Reset Exchangeable Notes	<b>1,284</b>	1,234
Incitec Pivot Limited	<b>4,671</b>	4,375
InvoCare Limited	<b>18,571</b>	19,295
IOOF Holdings Limited	<b>5,897</b>	3,298
Leighton Holdings Limited	<b>14,953</b>	11,709
Lend Lease Group	<b>6,090</b>	3,743
Lindsay Australia Limited	<b>1,088</b>	280
Macquarie Group Limited	<b>27,808</b>	20,689
McMillan Shakespeare Limited	<b>917</b>	1,618
Metcash Limited	<b>10,686</b>	16,395
MyState Limited	<b>2,065</b>	1,887
National Australia Bank Limited		
- ordinary shares	<b>144,380</b>	130,200
- convertible preference shares	<b>31</b>	-
New Hope Corporation Limited	<b>3,457</b>	4,606
Noni B Limited	<b>343</b>	520
Orica Limited	<b>3,681</b>	3,903
Origin Energy Limited	<b>9,199</b>	4,866
Orora Limited	<b>1,702</b>	-
Perpetual Limited	<b>64,403</b>	29,174
Premier Investments Limited	<b>5,017</b>	2,573
QBE Insurance Group Limited	<b>28,462</b>	41,398
Qube Holdings Limited	<b>5,855</b>	2,278
Ramsay Health Care Limited	<b>6,982</b>	3,758
Reece Australia Limited	<b>4,024</b>	3,167
Rio Tinto Limited	<b>33,665</b>	23,822
Santos Limited	<b>20,317</b>	17,630
Scentre Group	<b>5,336</b>	-
Schaffer Corporation Limited	<b>408</b>	298
Sedgman Limited	<b>1,011</b>	1,071
Select Harvests Limited	<b>832</b>	529
Seven Group Holdings Limited – TELYS4 preference shares	<b>617</b>	593
Seven West Media Limited	<b>3,155</b>	3,076
Sims Group Limited	<b>7,677</b>	6,550
Sonic Healthcare Limited	<b>10,674</b>	9,012
Stockland	<b>8,346</b>	7,485
Suncorp Group Limited	<b>41,632</b>	33,768
Sydney Airport	<b>6,134</b>	1,461
Tankstream Ventures	<b>50</b>	-
Tatts Group Limited	<b>7,272</b>	3,528
Telstra Corporation Limited	<b>70,909</b>	63,347
Toll Holdings Limited	<b>6,688</b>	6,015
TPG Telecom Limited	<b>20,561</b>	13,135
Transfield Services Limited	<b>1,648</b>	1,170
Transurban Group	<b>20,271</b>	14,582
Treasury Wine Estates Limited	<b>5,279</b>	5,955
The Trust Company Limited	<b>-</b>	16,143
UGL Limited	<b>9,926</b>	10,042

**25. Holdings at Fair Value through Other Comprehensive Income at 30 June 2014 (continued)**

	<b>2014</b>	2013
	<b>\$'000</b>	\$'000
Washington H Soul Pattinson & Company Limited	<b>135,326</b>	120,123
WDS Limited	<b>1,006</b>	-
Wesfarmers Limited		
- ordinary shares	<b>119,791</b>	103,235
- partially protected shares	-	10,516
Westfield Corporation	<b>5,434</b>	-
Westfield Group	-	7,688
Westfield Retail Trust	-	2,433
Westpac Banking Corporation	<b>354,090</b>	301,729
Wide Bay Australia Limited	<b>2,385</b>	2,276
Woodside Petroleum Limited	<b>33,815</b>	28,749
Woolworths Limited	<b>95,991</b>	86,322
Worley Parsons Limited	<b>6,896</b>	4,923
	<b>2,574,965</b>	2,202,530
<b>Other liquid securities</b>		
AMP – notes	-	2,678
APT Pipelines Limited	<b>1,074</b>	1,052
Bank of Queensland – convertible preference shares	<b>5,425</b>	5,257
Colonial Group – subordinated notes	<b>1,032</b>	1,018
Commonwealth Bank of Australia - Perls III	<b>977</b>	926
Goodman Funds Management – perpetual listed unsecured securities	<b>1,139</b>	1,064
Macquarie CPS Trust – convertible preference shares	-	1,000
Westpac Banking Corporation - preference shares (stapled preferred securities)	-	1,000
Woolworths notes II	<b>210</b>	210
	<b>9,857</b>	14,205