

MILTON CORPORATION LIMITED

ABN 18 000 041 421

APPENDIX 4E PRELIMINARY FINAL REPORT RESULTS FOR ANNOUNCEMENT TO THE MARKET for the YEAR ENDED 30 JUNE 2016

Dividends

Ø Fully franked ordinary dividends

The final dividend is unchanged at 9.9 cents per share and is payable on the 2 September 2016.

The record date for the final dividend is 12 August 2016.

The interim dividend of 8.7 cents per share paid on 3 March 2016 was 2.3% higher.

The full year dividend of 18.6 cents per share is 1% higher.

Earnings

Ø Profit after tax:

Up 1.1%% to \$126.4 million (excluding special investment revenue).

Down 0.1% % to \$127.9 million (including special investment revenue).

Ø Earnings per share, basic and diluted:

Down 0.4% % to 19.53 cents (excluding special investment revenue).

Down 1.6% to 19.76 cents (including special investment revenue).

Revenue

Ø Operating revenue up 3.5% to \$132.7 million.

Ø Special investment revenue down 50.1% to \$1.5 million.

Net tangible asset backing per share (NTA)

Ø Down 3.8% to \$4.22 (before provision for tax on unrealised capital gains).

Ø Down 2.8% to \$3.79 (after provision for tax on unrealised capital gains).

Dividend Reinvestment Plan (DRP)

Ø The DRP will operate for the final dividend.

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 business day period commencing on 15 August 2016 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 15 August 2016.

(Comparative figures being for the year ended 30 June 2015)

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.

MILTON CORPORATION LIMITED

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ASX+MEDIA RELEASE

22 JULY 2016

Milton announces its 2016 full year results to the ASX today.

The highlights of the result included:

- Fully franked ordinary final dividend maintained at 9.9 cents per share
- Fully franked ordinary full year dividend of 18.6 cents per share
- Net profit after tax of \$127.9 million
- Underlying operating profit (excluding special investment revenue) was \$126.4 million
- Earnings per share (including special investment revenue) of 19.8 cents
- Earnings per share (excluding special investment revenue) of 19.5 cents

Overview

In its release to the ASX today Milton Corporation Limited (Milton) reported its net profit after tax for the full year to 30 June 2016 was \$127.9 million.

The underlying operating profit, which excludes special investment revenue of \$1.5 million, was in line with the prior year at \$126.4 million.

The fully franked final dividend has been maintained at 9.9 cents per share. When combined with the increased interim dividend the full year dividend of 18.6 cents per share is 1% higher than the prior year.

The final dividend will be paid on 2 September 2016 and Milton shares will trade "cum" the final dividend up to and including 10 August 2016.

With the payment of the final dividend on 2 September 2016, Milton will have paid 96% of its underlying operating profit and 94% of its full year profit.

Full year profit commentary

Investment income, which comprises franked and unfranked dividends as well as trust distributions received from the portfolio of Australian listed equities, increased by 2% to \$125.2 million. The majority of companies in the portfolio paid increased dividends with some notable increases coming from A.P. Eagers, Bank of Queensland, Blackmores, Macquarie Group, Perpetual and QBE.

Many companies exposed to the energy and resource sectors unfortunately paid reduced dividends in the second half of the year and even though Milton is underweight most of these companies they did still have a meaningful negative effect on investment revenue.

Milton's managing director, Mr Frank Gooch, said, "Milton has exposure to many sectors through its investment in 93 companies and trusts. This diversification has aided Milton in maintaining earnings even as some sectors have suffered significant earnings reductions."

Mr Gooch added, "Milton is not an index investor. Amongst its Top 20 long term holdings are companies such as A. P. Eagers, Blackmores, Brickworks, TPG Telecom and Washington H. Soul Pattinson, all of which provided dividend growth over the year and all of which are not well represented in the ASX indices."

Interest income of \$3.3 million was 25% lower than the prior year, due to a combination of lower interest rates and lower cash balances held throughout the year.

Milton's investments in unlisted real property development joint ventures, which represent less than 1% of total assets, provided sound returns but they were less than the prior year's record results.

The company continued to operate efficiently with total administration costs for the year at 0.13% of average total assets.

Portfolio

Milton remained reasonably fully invested throughout the year with cash balances of less than 5%. Disposals totalling \$47 million partially funded the investment of \$70 million across 36 companies. This included \$10 million invested in the ANZ placement in August 2015 and \$5.5 million in the CBA share issue in August 2015. Other larger investments included \$6.9 million in Macquarie Group, \$6.3 million in Caltex, \$3.2 million in Qube and \$3.1 million in McMillan Shakespeare.

The disposals included a reduction in the ALS holding and the complete sale of holdings in CYBG Plc, Cardno, Crown, GWA and South 32.

Net assets

Net assets, before provision for tax on unrealised capital gains, were valued at \$2.7 billion at 30 June 2016. This equated to \$4.22 per share.

The assets are predominantly an investment portfolio of Australian listed equities with a total market value of \$2.6 billion as well as liquid assets, such as cash including term deposits, of \$0.1 billion. Milton has no debt facilities.

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 to provide for the capital gains tax that may arise if the portfolio was realised. At 30 June 2016 this provision was \$0.3 billion or 43 cents per share.

Total returns

Milton's one year Total Portfolio Return, which combines the movement in NTA with the dividends paid during the year, was 0.8%. 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 2.0%.

Capital issues

The Dividend Reinvestment Plan will operate for the final dividend. 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 business days commencing on the first trading day after the record date being 15 August 2016. The last day for the receipt of an election notice for participation in the plan is 15 August 2016.

The Share Purchase Plan will not be offered to shareholders with the final dividend this year as Milton has sufficient funds available to invest at present. This position will continue to be reviewed and a further update will be provided at the annual general meeting on 13 October 2016.

Outlook

In the first half of the 2017, financial year increased investment income from many of the companies in the portfolio is unlikely to offset further falls in dividends from companies operating in the energy and resource sectors while income in the second half is expected to show a slight improvement on the previous corresponding half.

Milton has sufficient franking credits and retained earnings to enable the full year ordinary dividend of 18.6 cents per share to be maintained in 2017 even if underlying earnings fall below the 2016 result.

Milton's dividend payout ratio is normally between 90% and 95% of underlying profit however this may be exceeded in exceptional circumstances. In 2017, directors will consider both the current year performance and the forecast results as they are aware of the importance of at least maintaining the 2016 dividend.

ISSUED FOR : MILTON CORPORATION LIMITED

**FOR FURTHER INFORMATION MR FRANK GOOCH, MANAGING DIRECTOR
MILTON CORPORATION LIMITED
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BACKGROUND

Milton is a listed investment company that was incorporated in 1938 and listed in 1958.

It invests for the long-term in well managed companies with a profitable history and the expectation of dividend growth, and it has successfully delivered on its key objective which is to pay increasing fully franked dividends per share over the long term. It has paid a dividend every year since listing 58 years ago.

As Milton is internally managed it does not pay any fees to an external manager. With total administration costs representing 0.13% per annum of average total assets it is one of the lowest cost collective investment vehicles in the Australian market place.

MILTON'S INVESTMENT PROFILE

The 25 largest investments at 30 June 2016 are set out below.

COMPANY	MARKET VALUE \$ million	COMPANY	MARKET VALUE \$ million
Westpac Banking Corporation	307.3	AGL Energy	51.7
Commonwealth Bank of Australia	231.3	Blackmores Limited	48.2
Washington H. Soul Pattinson	156.0	Brickworks Limited	46.4
National Australia Bank	121.0	Macquarie Group	44.8
Wesfarmers Limited	113.7	TPG Telecom	44.4
Telstra Corporation	83.2	Transurban Group	42.1
ANZ Banking Group	81.3	Suncorp Group	39.0
Bank of Queensland	77.4	ALS Limited	31.6
AP Eagers	69.6	IAG Limited	30.6
BHP Billiton	67.8	CIMIC Group	28.3
CSL Limited	66.4	QBE Insurance	27.3
Woolworths Limited	60.7	Total market value of Top 25	1,980.8
Perpetual Limited	55.9		
Bendigo and Adelaide Bank	54.8	Total Assets	2,747.8

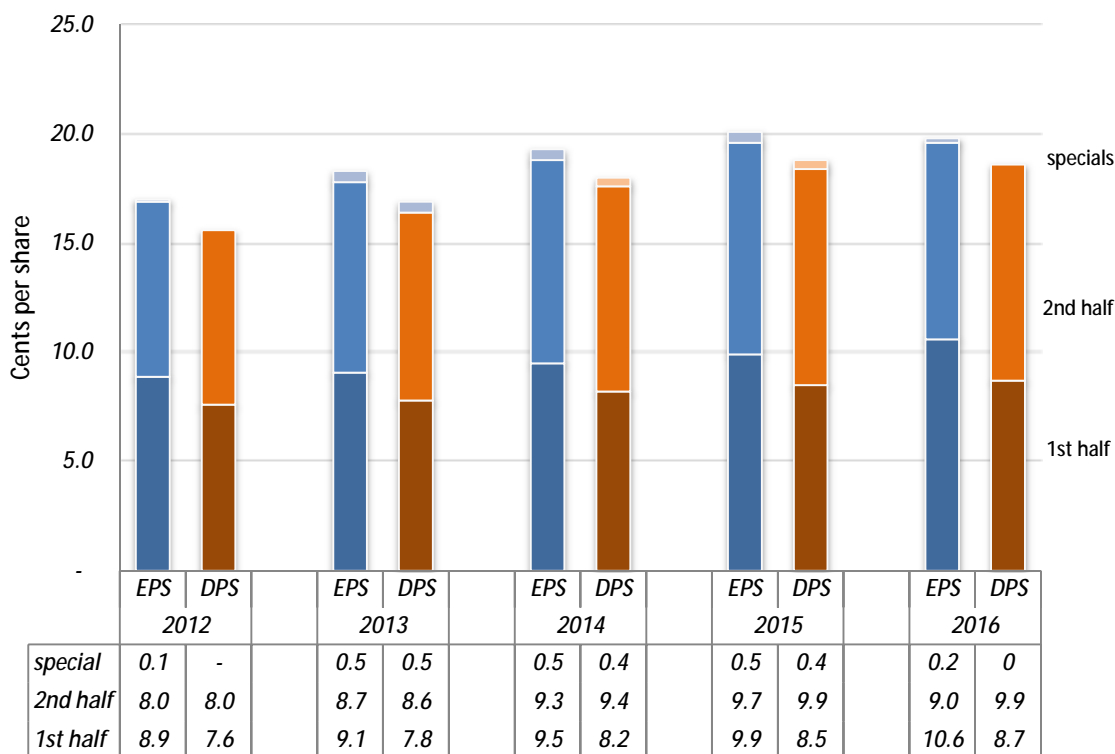
CLASSIFICATION OF ASSETS

The following table shows assets at 30 June 2016 classified by Global Industry Classification Standard ("GICS") as adopted by the ASX.

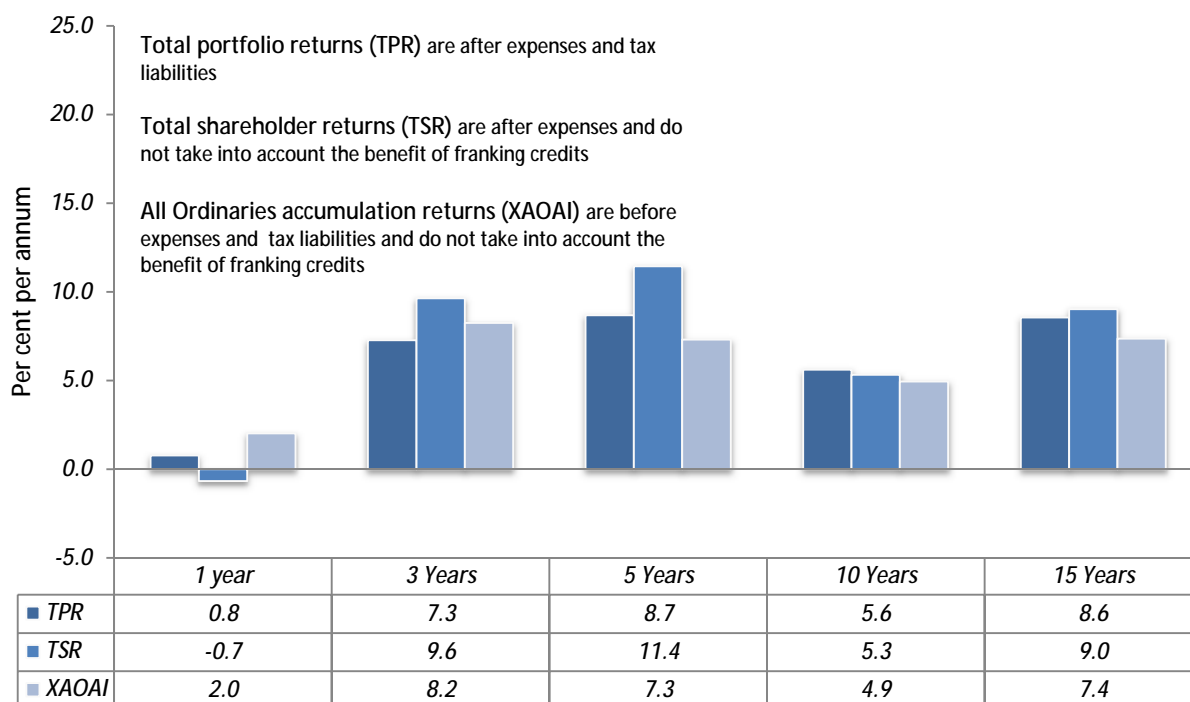
CLASSIFICATION	TOTAL ASSETS %	CLASSIFICATION	TOTAL ASSETS %
Banks	32.0	Metals and mining	3.4
Consumer staples	9.1	Real estate	2.9
Energy (Includes W H Soul Pattinson)	7.4	Construction materials	2.9
Diversified financials	6.5	Other shares	12.7
Telecommunication	4.6	Total shares	93.5
Insurance	4.5	Cash & liquid assets	4.5
Retailing	3.8	Other assets	2.0
Healthcare	3.7	Total	100.0

PERFORMANCE CHARTS

Five year history of earnings per share and dividends per share



Total returns



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Milton Corporation Limited
Consolidated income statement
for the year ended 30 June 2016

	Note	2016 \$'000	2015 \$'000
Ordinary dividends and distributions	1a	125,450	122,894
Interest	1c	3,016	4,095
Net gains on trading portfolio	1d	3,748	900
Other revenue		520	366
Operating Revenue		132,734	128,255
Share of net profits of joint ventures – equity accounted	8a	1,789	6,310
Special dividends and distributions	1b	1,499	3,006
Income from operating activities		136,022	137,571
Administration expenses		(3,537)	(3,376)
Profit before income tax expense		132,485	134,195
Income tax expense thereon	2a	(4,580)	(6,186)
Profit attributable to shareholders of Milton		127,905	128,009
		Cents	Cents
Basic and diluted earnings per share	3	19.76	20.08

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 2016

	2016 \$'000	2015 \$'000
Profit	127,905	128,009
Other comprehensive income		
<i>Items that will not be reclassified to profit and loss</i>		
Revaluation of investments	(111,359)	11,504
Provision for tax benefit (expense) on revaluation of investments	32,816	(3,573)
Other comprehensive income, net of tax	(78,543)	7,931
Total comprehensive income for the period attributable to the shareholders of Milton	49,362	135,940

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 2016

	Note	2016 \$'000	2015 \$'000
Current assets			
Cash	9	123,403	99,452
Receivables	10a	23,048	22,390
Current tax prepaid		148	-
Other financial assets	11	7,324	9,761
Total current assets		153,923	131,603
Non-current assets			
Receivables	10b	4,323	3,869
Investments	7	2,568,458	2,656,998
Joint ventures – equity accounted	8b	20,581	20,652
Plant and equipment		87	36
Deferred tax assets	2c	405	393
Total non-current assets		2,593,854	2,681,948
Total assets		2,747,777	2,813,551
Current liabilities			
Payables		993	875
Current tax liabilities		-	388
Provisions		50	47
Total current liabilities		1,043	1,310
Non-current liabilities			
Deferred tax liabilities	2d	280,099	313,119
Provisions		504	477
Total non-current liabilities		280,603	313,596
Total liabilities		281,646	314,906
Net assets		2,466,131	2,498,645
Shareholders' equity			
Issued capital	12	1,545,122	1,504,589
Capital profits reserve	13b	68,236	64,971
Asset revaluation reserve	13a	658,011	739,819
Retained profits		194,762	189,266
Total equity attributable to shareholders of Milton		2,466,131	2,498,645

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 2016

	Issued capital	Capital profits reserve	Asset revaluation reserve	Retained profits	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2015	1,504,589	64,971	739,819	189,266	2,498,645
Profit	-	-		127,905	127,905
Other Comprehensive Income:	-	-	(78,543)	-	(78,543)
Total comprehensive income	-	-	(78,543)	127,905	49,362
Net realised gains	-	3,265	(3,265)	-	-
Transactions with shareholders:					
Share issues	40,533	-	-	-	40,533
Dividends paid	-	-		(122,409)	(122,409)
Balance at 30 June 2016	1,545,122	68,236	658,011	194,762	2,466,131

Balance at 1 July 2014	1,462,552	78,815	718,044	177,439	2,436,850
Profit	-	-	-	128,009	128,009
Other Comprehensive Income:	-	-	7,931	-	7,931
Total comprehensive income	-	-	7,931	128,009	135,940
Net realised losses	-	(13,844)	13,844	-	-
Transactions with shareholders:					
Share issues	42,037	-	-	-	42,037
Dividends paid	-	-	-	(116,182)	(116,182)
Balance at 30 June 2015	1,504,589	64,971	739,819	189,266	2,498,645

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 2016

	Note	2016 \$'000	2015 \$'000
Cash flows from operating activities			
Dividends and distributions received		126,010	126,021
Interest received		3,306	4,345
Distributions received from joint venture entities		5,066	7,133
Other receipts in the course of operations		520	318
Proceeds from sales of trading securities		7,681	4,019
Payments for trading securities		(3,933)	(3,119)
Other payments in the course of operations		(3,429)	(3,321)
Income taxes paid		(5,271)	(6,402)
Net cash provided by operating activities	23a	129,950	128,994
Cash flows from investing activities			
Proceeds from disposal of investments	7c	49,129	38,311
Proceeds from repayment of capital		-	6,568
Payments for investments in equities and trusts		(69,550)	(115,147)
Payments for investments in joint ventures		(3,206)	(831)
Payments for plant and equipment		(64)	-
Loans repaid by other entities		278	209
Loans advanced to other entities		(675)	(671)
Net cash used in investing activities		(24,088)	(71,561)
Cash flows from financing activities			
Proceeds from issue of shares		40,621	42,117
Payments for issue of shares		(123)	(109)
Ordinary dividends paid		(122,409)	(116,182)
Net cash used in financing activities		(81,911)	(74,174)
Net increase (decrease) in cash assets held		23,951	(16,741)
Cash assets at the beginning of the year		99,452	116,193
Cash assets at the end of the year	9	123,403	99,452

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: Key Numbers
for the year ended 30 June 2016

1. Revenue

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

	2016	2015
	\$'000	\$'000

a. Ordinary dividends and distributions

Milton receives ordinary dividend income and trust distributions from its long term investments in companies and trusts listed on the Australian Securities Exchange.

Investments held in portfolio at 30 June	124,450	119,504
Investments sold during the year	1,000	3,390
	125,450	122,894

b. Special dividends and distributions

This special investment revenue is received on an ad hoc basis and cannot be relied upon each year.

Investments held in portfolio at 30 June	1,277	2,915
Investments sold during the year	222	91
	1,499	3,006

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

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

c. Interest

Milton earns interest on its cash, term deposits and other liquid assets.

Interest from deposits & cash	2,891	3,883
Interest income from other liquid securities	125	212
	3,016	4,095

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

d. Net gains from trading portfolio

Net gains from trading portfolio	3,748	900
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Trading securities are recognised initially at cost and subsequently measured at fair value. Changes in fair value are taken directly through the income statement.

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

Milton Corporation Limited
Notes to the consolidated financial statements: Key Numbers
for the year ended 30 June 2016

2. Tax

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

	2016	2015
	\$'000	\$'000
a. Reconciliation of Income Tax Expense to prima facie tax payable		
Profit before income tax	132,485	134,195
Prima facie income tax expense calculated at 30% on the profit before income tax expense	39,746	40,259
Increase (decrease) in income tax expense due to:		
Tax offset for franked dividends	(34,815)	(34,305)
(Over) provision in prior year	(147)	(285)
Other differences	(204)	517
Income tax expense on profit	4,580	6,186
b. Tax expense composition		
Current tax on profits for the year	4,906	5,997
(Over) provision in prior year	(147)	(285)
Decrease in deferred tax assets (note 2c)	25	105
(Decrease) Increase in deferred tax liabilities (note 2d)	(204)	369
	4,580	6,186
c. Deferred tax assets		
The balance comprises temporary differences attributable to :		
Provisions	351	336
Share issue expenses	45	42
Other	9	15
Total deferred tax assets	405	393
Movements:		
Balance at 1 July	393	466
(Charged) to the income statement	(25)	(105)
Credited to equity	37	32
Balance at 30 June	405	393
To be recovered within 12 months	60	126
To be recovered after more than 12 months	345	267
	405	393

Milton Corporation Limited
Notes to the consolidated financial statements: Key Numbers
for the year ended 30 June 2016

	2016	2015
	\$'000	\$'000
d. Deferred tax liabilities		
The balance comprises temporary differences attributable to:		
Amounts recognised directly in equity:		
Revaluation of investments	291,069	320,445
Realised capital losses	(27,379)	(23,978)
Amounts recognised in profit:		
Gains on scrip for scrip rollovers	16,043	16,043
Income receivable which is not assessable for tax until receipt	366	609
	280,099	313,119
Movements:		
Balance at 1 July	313,119	309,177
(Credited) Charged to income statement	(204)	369
(Credited) Charged to other comprehensive income	(32,816)	3,573
Balance at 30 June	280,099	313,119
To be settled beyond 12 months	280,099	313,119

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

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

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

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

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

Milton Corporation Limited
Notes to the consolidated financial statements: Key Numbers
for the year ended 30 June 2016

e. Offsetting deferred tax balances:

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

Deferred tax assets from realised capital losses are offset against deferred tax liabilities from unrealised capital gains

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

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

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

	2016	2015
	Cents	Cents
3. Earnings Per Share		
Basic earnings per share	19.76	20.08
	\$'000	\$'000
Profit attributable to shareholders of the parent entity	127,905	128,009
	No.	No.
Weighted average number of ordinary shares used in the calculation of basic earnings per share	647,134,007	637,607,867
Diluted earnings per share and basic earnings per share are the same because there are no potential dilutive ordinary shares.		

	2016	2015
	\$'000	\$'000
4. Dividends Paid		
a. Recognised in the current year		
An ordinary final dividend of 9.9 cents per share in respect of the 2015 year paid on 3 September 2015 (2015: an ordinary final dividend in respect of the 2014 year of 9.4 cents per share paid on 3 September 2014)	63,385	59,298
A special dividend of 0.4 cents per share in respect of 2015 year paid on 3 September 2015 (2015: 0.4 cents paid on 3 September 2014)	2,561	2,523
An ordinary interim dividend of 8.7 cents per share paid on 3 March 2016 (2015: 8.5 cents per share paid on 3 March 2015)	56,463	54,361
	122,409	116,182

Milton Corporation Limited
Notes to the consolidated financial statements: Key Numbers
for the year ended 30 June 2016

	2016	2015
	\$'000	\$'000
b. Not recognised in the current year		
Since the end of the financial year, the directors declared an ordinary final dividend in respect of the 2016 year of 9.9 cents per share payable on 2 September 2016 (2015: ordinary final dividend of 9.9 cents per share and special dividend of 0.4 cents per share paid on 3 September 2015)	64,342	65,946
5. Dividend Franking Account		
The amount of franking credits available to shareholders for the subsequent financial year, adjusted for franking credits that will arise from the payment of the current tax liability	122,631	121,237
Subsequent to year end, the franking account will be reduced by the proposed final dividend to be paid on 2 September 2016 (2015: final and special dividends paid on 3 September 2015)	(27,575)	(28,263)
	95,056	92,974
The franking account balance would allow Milton to frank additional dividend payments up to an amount of \$221,797,267 (2015: \$216,940,197) which represents 34 cents per share (2015: 34 cents per share).		
6. Listed Investment Company capital gains account		
Balance of the Listed Investment Company (LIC) capital gain account available to shareholders for the subsequent financial year	1,255	1,255

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.

Milton Corporation Limited
Notes to the consolidated financial statements: Assets
for the year ended 30 June 2016

7. Investment in equity instruments

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

	2016	2015
	\$'000	\$'000
Investments – non-current		
Quoted investments - at fair value	2,568,348	2,656,876
Unquoted investments - at fair value	110	122
	2,568,458	2,656,998
a. Included in quoted investments are:		
Shares in other corporations	2,418,631	2,537,519
Stapled securities in other corporations	122,526	95,666
Units in trusts	27,191	23,691
	2,568,348	2,656,876
b. Included in unquoted investments are:		
Units in trusts	110	122

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.

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

c. Investments disposed of during the year

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

Fair value at disposal date

Equity investments	49,129	38,311
Gain (Loss) on disposal after tax		
Equity investments	3,265	(13,844)

When an investment is disposed, the cumulative gain or loss, net of tax thereon, is transferred from the asset revaluation reserve to the capital profits reserve as disclosed in note 13.

Milton Corporation Limited
Notes to the consolidated financial statements: Assets
for the year ended 30 June 2016

8. Investment in joint venture entities

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

	2016	2015
	\$'000	\$'000
a. Contribution from joint venture entities		
Milton has interests in the following joint venture entities:		
33.33% interest in the Ellenbrook Syndicate Joint Venture contribution to operating profit before tax (2015:33.33%)	2,285	6,319
23.33% interest in The Mews Joint Venture contribution to operating profit before tax (2015:23.33%)	267	648
50% interest in the LWP Huntlee Syndicate No 2 Joint Venture (2015: 50%)	(763)	(657)
Share of net profits of joint ventures	1,789	6,310
b. Consolidated interest in the assets and liabilities of the joint venture entities		
Current assets	18,585	20,902
Non-current assets	15,471	15,083
Current liabilities	(3,572)	(4,537)
Non-current liabilities	(9,360)	(10,253)
	21,124	21,195
Provision for diminution in value	(543)	(543)
Net assets	20,581	20,652

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

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

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

c. Contingencies and capital commitments

Guarantee entered into by the parent company

Milton has agreed to provide a financial guarantee facility totalling \$11 million to support prepayments received by a joint venture in which LWP Huntlee Syndicate No 2 has a 23.75% interest. This facility, which is on commercial terms, is secured by a second ranking mortgage over the real property of the joint venture as well as guarantees provided by other related entities of the joint venture. At 30 June 2016, \$8 million of this facility had been utilised (2015: \$3.1M).

Other than the above, the directors are not aware of any material contingent liabilities, contingent assets or capital commitments as at 30 June 2016.

Milton Corporation Limited
Notes to the consolidated financial statements: Assets
for the year ended 30 June 2016

	2016	2015
	\$'000	\$'000
9. Cash		
Cash at bank	3,351	2,535
Deposits at call	21,052	9,662
Term deposits	99,000	87,255
	123,403	99,452

The weighted average interest rate for cash and deposits at call as at 30 June 2016 is 1.9% p.a. (2015: 2.1% p.a.). Term deposits have an average maturity date of August 2016 (2015: September 2015) and an average interest rate of 3.0% (2015: 2.8% pa).

10. Receivables

a. Receivables – current

Dividends receivable	22,371	21,707
Interest receivable	661	676
Sundry debtors	16	7
	23,048	22,390

b. Receivables – non-current

Senior staff share plan loans (refer note 19b)	4,323	3,869
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c. Terms and conditions

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

11. Other financial assets

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 at fair value	7,199	9,597
Prepaid expenses	125	164
	7,324	9,761

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.

Milton Corporation Limited
Notes to the consolidated financial statements: Capital Management
for the year ended 30 June 2016

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

12. Share capital

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.

Movement in share capital	No. of shares	2016 \$'000	No of shares	2015 \$'000
Opening balance	640,255,655	1,504,589	630,825,344	1,462,552
Share Purchase Plan	7,746,892	32,373	8,019,673	35,687
Dividend Reinvestment Plan ⁽¹⁾	1,920,390	8,246	1,410,638	6,426
Less: Transaction costs (net of tax)	-	(86)	-	(76)
Closing balance	649,922,937	1,545,122	640,255,655	1,504,589

⁽¹⁾Milton's Dividend Reinvestment Plan (DRP) offers shareholders the option to reinvest all or part of their dividend in new ordinary shares. In the 2016 financial year, Milton issued 998,879 new shares in September 2015 and 921,511 new shares in March 2016 under the DRP (2015: 698,365 issued in September 2014 and 712,273 issued in March 2015).

13. Reserves

Nature and purpose of reserves

Changes in fair value of investments are presented in other comprehensive income through the asset revaluation reserve as referred to in note 7b. Upon disposal of investments, the net gain or loss is transferred from the asset revaluation reserve to the capital profits reserve.

	2016 \$'000	2015 \$'000
a. Asset revaluation reserve		
Opening balance	739,819	718,044
Revaluation of investments net of provision for tax	(78,543)	7,931
Net realised (gains) losses	(3,265)	13,844
	658,011	739,819
b. Capital profits reserve		
Opening balance	64,971	78,815
Net realised gains (losses)	3,265	(13,844)
	68,236	64,971

Milton Corporation Limited

Notes to the consolidated financial statements: Risk for the year ended 30 June 2016

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

14. Critical accounting estimates, judgements and assumptions

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

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

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

15. Management of financial risk

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

The Audit & Risk 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 & Risk Committee.

a. Credit risk exposures

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

The risk that financial loss will occur because of 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.

Milton Corporation Limited

Notes to the consolidated financial statements: Risk for the year ended 30 June 2016

b. Market risk

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

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

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

Investments represent 93% (2015: 94%) 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% (2015: 4.7%) movement in the net assets before provision for tax on unrealised capital gains at 30 June 2016 (2015: 30 June 2015). The net asset backing before provision for tax on unrealised capital gains would move by 20 cents per share at 30 June 2016 (2015: 21 cents at 30 June 2015).

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.

c. Liquidity risk

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

Milton manages liquidity risk by monitoring forecast and actual cashflows.

16. 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 renounceable rights issues and as consideration for acquisition of unlisted companies.

Milton Corporation Limited

Notes to the consolidated financial statements: Group Structure

for the year ended 30 June 2016

The consolidated financial statements include the financial statements of Milton, being the parent entity and its subsidiaries. Details of subsidiaries are disclosed in Note 17b below. The balances and effects of transactions between subsidiaries included in the consolidated financial statements have been eliminated in full.

17. Subsidiaries

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

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

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

a. Basis of Consolidation

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

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

b. Milton Corporation Limited's subsidiaries

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

Percentage of Interest held	2016 %	2015 %
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

c. Acquisition of subsidiaries

No company acquisition was made by Milton during the year ended 30 June 2016 (2015: None)

d. Business Combinations

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

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

Milton Corporation Limited
Notes to the consolidated financial statements: Other Information
for the year ended 30 June 2016

	2016 \$'000	2015 \$'000
18. Related party transactions		
a. Directors and Key Management Personnel compensation		
Short-term benefits	1,153	1,124
Other long-term benefits	17	26
Post-employment benefits	115	109
Share-based payments	151	142
	1,436	1,401

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

Non-executive directors and their related parties held 12.1% (2015:12.3%) of the voting power of Milton as at year end. All shares acquired by non-executive directors and their related parties during the year were purchased on an arm's length basis. Movements in the number of shares held are given below. There were no amounts outstanding from or due to any non-executive director or their related parties as at 30 June 2016.

	No of shares	No of shares
Number of shares at beginning of the year	78,775,660	78,581,300
Acquired during the year	151,911	194,360
Number of shares held at end of year	78,927,571	78,775,660

c. Loans to key management personnel and their related parties

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

	\$	\$
Balance at beginning of the year	2,440,184	2,219,538
Loans advanced	367,342	335,620
Loans repaid	(130,320)	(114,974)
Balance at end of the year	2,677,206	2,440,184
Notional interest	150,359	141,842

Notional interest is based on the applicable FBT benchmark interest rate for the year which averaged 5.65% (2015: 5.85%).

The loans are advanced to key management personnel in accordance with the Senior Staff Share Plan (SSSP) as disclosed in Note 19b.

Milton Corporation Limited
Notes to the consolidated financial statements: Other Information
for the year ended 30 June 2016

d. Other related party transactions

All directors have entered into the Deed of Indemnity, Insurance and Access that was approved at the Annual General Meeting held on 10 October 2000. Milton has a Remuneration and Retirement Benefits Deed with each of the non-executive directors except Messrs G.L Crampton and K.J. Eley. During the 30 June 2016 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 2015. Apart from the details disclosed in this note no director has entered into a material contract with the parent entity or Milton since the end of the previous financial year and there were no material contracts involving directors' interests subsisting at the end of the year.

e. Transactions with subsidiaries

	2016 \$	2015 \$
Dividends paid to parent	81,811,084	-
Capital repaid to parent	27,251,635	-
	<u>109,062,719</u>	<u>-</u>

f. 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.

Amounts (owed to) subsidiaries at beginning of the year	(82,439,408)	(79,444,127)
Loans advanced from subsidiaries	(2,976,109)	(3,636,766)
Loan advanced to subsidiaries	112,073,717	641,485
Amounts owed by (owed to) subsidiaries at end of the year	26,658,200	<u>(82,439,408)</u>

g. Other arrangement with non-executive director

Mr J.F. Church rented office space from Milton at commercial rates from 1 July 2015 to 30 June 2016 and rental income received by Milton during the financial year was \$12,800 (2015: \$12,763).

19. Share based payments

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

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

a. Employee Share Plan

The Employee Share Plan ("ESP") is available to all eligible employees to acquire ordinary shares in Milton in lieu of a cash bonus of up to \$1,000 per year as part of the employee's remuneration. The transaction and administration costs of acquiring the shares and administering the plan are paid by Milton. During the year, 672 shares (2015: 1,085 shares) were acquired by Milton on behalf of eligible employees under the ESP at a cost of \$3,083 (2015: \$4,980) with a total market value at 30 June 2016 of \$2,876.

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.

Milton Corporation Limited
Notes to the consolidated financial statements: Other Information
for the year ended 30 June 2016

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, 152,000 shares (2015: 142,000 shares) were acquired by the trustee of the plan on behalf of eligible employees under the SSSP at a cost of \$656,893 (2015: \$635,441). The loans to eligible employees are as disclosed in note 10b. The shares acquired by the trustee during the year had a market value of \$650,560 at \$4.28 per share as at 30 June 2016.

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.

	2016	2015
	\$'000	\$'000
20. Auditors Remuneration		
Auditors of the company		
Audit and review services	109	109
Related practice of the auditor		
Due diligence	-	-
Liquidation of non-operating subsidiary	-	1
Agreed upon procedures	6	-
	115	110

21. Parent entity disclosures

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

As at, and throughout, the financial year ended 30 June 2016 the parent entity is Milton Corporation Limited.

Profit of the parent entity

Profit for the year	126,407	123,837
Total comprehensive income for the year	49,362	135,940

Milton Corporation Limited
Notes to the consolidated financial statements: Other Information
for the year ended 30 June 2016

	2016 \$'000	2015 \$'000
Financial position of the parent entity as at 30 June		
Current assets	181,105	131,591
Total assets	2,750,812	2,898,393
Current liabilities	(1,043)	(83,904)
Total liabilities	(284,681)	(399,748)
Net assets	2,466,131	2,498,645
Total equity of the parent entity comprising of		
Issued capital	1,545,122	1,504,589
Capital profits reserves	76,814	73,549
Asset revaluation reserve	710,657	790,967
Retained profits	133,538	129,540
Total equity attributable to shareholders of the parent entity	2,466,131	2,498,645

22. Summary of other accounting policies

a. Basis of preparation

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

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

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

New and amended standards adopted:

AASB 2015-2 Amendments to AASB 101 (Presentation of Financial Statements) which applies to annual reporting periods commencing on or after 1 January 2016 was early adopted since the preparation of financial statements and notes for the previous 2015 financial year.

AASB-9 *Financial Instruments* Standard which applies to annual reporting periods commencing on or after 1 January 2018 was early adopted by Milton since the 2010 financial year.

New and amended standards not adopted:

AASB 15 Revenue from Contracts with Customers is applicable to annual reporting periods beginning on or after 1 January 2018 and is not expected to have any material impact on Milton's financial statements.

AASB 16 Leases is applicable to annual reporting periods beginning on or after 1 January 2019 replaces AASB 117 'Leases' for lessees will eliminate the classifications of operating leases and finance leases. Milton does not expect this standard to have any material impact on Milton's financial statements.

No other new accounting standards and interpretations that are available for early adoption but not yet adopted at 30 June 2016, will result in any material change in relation to the financial statements of Milton.

Milton Corporation Limited
Notes to the consolidated financial statements: Other Information
for the year ended 30 June 2016

b. Rounding of amounts

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

c. Operating segments

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

	2016	2015
	\$'000	\$'000
23. Cash flow information		
a. Reconciliation of net profit to net cash provided by operating activities		
Net profit	127,905	128,009
Share of net profits of joint ventures – equity accounted	(1,789)	(6,310)
Distributions received from joint venture entities	5,066	7,133
Depreciation of non-current assets	13	14
(Increase) decrease in receivables	(649)	369
Increase (Decrease) in payables and provisions	94	(6)
(Decrease) in income taxes payable	(690)	(215)
Net cash provided by operating activities	129,950	128,994

b. Non-cash financing and investing activities

During the year ended 30 June 2016, Milton did not engage in any material non-cash investing or financing transaction (2015: None).

24. Contingent liabilities

Apart from the contingent liability relating to the Huntlee joint venture disclosed in Note 8c, the directors are not aware of any other material contingent liabilities

25. Events subsequent to reporting date

Since the end of the financial year, the directors declared a fully franked ordinary final dividend of 9.9 cents per share payable on 2 September 2016.

26. Holdings at Fair Value through Other Comprehensive Income at 30 June 2016
The following holdings are valued at fair value through Other Comprehensive Income.

	2016 Market value \$'000	2015 Market value \$'000
Investments in equity instruments		
Adelaide Brighton Limited	15,239	11,792
AGL Energy Limited	51,656	41,641
ALS Limited	31,587	62,777
Amcor Limited	18,207	16,389
AMP Limited	10,945	12,769
A.P. Eagers Limited	69,589	54,539
APA Group	18,534	16,528
ARB Corporation Limited	14,682	10,594
Argo Investments Limited	7,265	7,857
ASX Limited	25,121	21,265
AUB Group Limited (formerly Austbrokers Holdings Limited)	10,552	9,403
Australia & New Zealand Banking Group Limited		
- ordinary shares	81,276	98,099
- convertible preference shares	1,960	1,960
- capital notes 2	185	191
Australian Foundation Investment Company Limited	7,050	7,924
Auswide Bank Limited	2,203	2,190
Automotive Holdings Group Limited	11,943	12,203
Aveo Group	4,750	3,866
Bank of Queensland Limited	77,371	93,299
Bendigo & Adelaide Bank Limited	54,813	70,001
BHP Billiton Limited	67,829	98,378
BKI Investment Company Limited	1,934	2,038
Blackmores Limited	48,222	28,453
Boral Limited	10,365	9,749
Bradken Limited	827	1,186
Brambles Limited	17,742	14,840
Brickworks Limited	46,448	44,637
BT Investment Management Limited	4,150	2,114
Broadspectrum Limited (formerly Transfield Services Limited)	-	2,001
BWP Trust	5,766	4,847
Caltex Australia Limited	5,997	-
Cardno Limited	-	3,891
Carlton Investments Limited	11,317	11,306
Carsales.Com Limited	11,334	8,835
Challenger Limited	1,122	-
CIMIC Group Limited	28,287	17,209
Coca-Cola Amatil Limited	12,069	13,418
Cochlear Limited	4,098	2,709
Commonwealth Bank of Australia	231,287	258,205
Cover-More Group Limited	2,591	4,359
Crown Resorts Limited	-	3,261
CSL Limited	66,433	51,207
Diversified United Investment Limited	1,167	1,330
DuluxGroup Limited	10,461	6,880
EQT Holdings Limited (formerly Equity Trustees Limited)	8,231	9,995
Event Hospitality & Entertainment Limited (formerly Amalgamated Holdings Limited)	13,381	10,884
Finbar Group Limited	2,309	3,311
Fletcher Building Limited	6,554	5,791
Flight Centre Travel Group Limited	1,841	-
Goodman Group	7,881	6,950
GrainCorp Limited	3,127	3,094
Gresham Private Equity Co-Investment Fund	21	21
GWA Group Limited	-	1,863

26. Holdings at Fair Value through Other Comprehensive Income at 30 June 2016
The following holdings are valued at fair value through Other Comprehensive Income.

	2016 Market value \$'000	2015 Market value \$'000
Insurance Australia Group Limited		
- ordinary shares	30,603	28,605
- convertible preference shares	305	305
IAG Finance(NZ) Limited Perpetual		
- Reset Exchangeable Notes	1,200	1,237
Incitec Pivot Limited	4,784	6,201
InvoCare Limited	25,635	22,577
IOOF Holdings Limited	10,177	8,766
Lendlease Group	5,853	6,982
Lindsay Australia Limited	5,599	3,377
Macquarie Group Limited	44,795	45,246
McMillan Shakespeare Limited	6,509	2,797
MyState Limited	1,838	2,149
National Australia Bank Limited	120,992	158,483
New Hope Corporation Limited	1,832	2,438
Orica Limited	2,330	4,022
Origin Energy Limited	4,038	8,405
Orora Limited	3,021	2,497
Perpetual Limited	55,894	65,735
Premier Investments Limited	8,417	7,526
QBE Insurance Group Limited	27,310	35,793
Qube Holdings Limited	11,953	9,064
Ramsay Health Care Limited	13,332	10,422
Reece Limited	7,923	6,426
Regis Healthcare Limited	4,203	2,353
Rio Tinto Limited	26,555	31,369
Santos Limited	7,811	13,182
Scentre Group	8,853	6,501
Schaffer Corporation Limited	352	335
Sedgman Limited	-	1,385
Select Harvests Limited	1,091	1,780
Seven Group Holdings Limited		
- TELYS4 preference shares	392	537
Sims Metal Management Limited	5,727	8,263
Sonic Healthcare Limited	13,456	13,162
South32 Limited	-	6,496
Stockland Group	13,108	10,943
Suncorp Group Limited	39,003	41,294
Sydney Airport	18,111	12,996
Tank Stream Ventures	89	101
Tatts Group Limited	8,839	8,608
Telstra Corporation Limited	83,240	89,737
TPG Telecom Limited	44,405	33,472
Transurban Group	42,121	30,951
Treasury Wine Estates Limited	11,021	5,257
UGL Limited	3,120	3,077
Vicinity Centres (formerly Federation Centres)	21,425	18,844
Washington H. Soul Pattinson & Company Limited	155,969	123,306
Wesfarmers Limited	113,705	110,670
Westfield Corporation	9,170	6,931
Westpac Banking Corporation	307,266	336,009
Woodside Petroleum Limited	23,642	29,621
Woolworths Limited	60,664	78,291
WorleyParsons Limited	3,061	4,425
	2,568,458	2,656,998

26. Holdings at Fair Value through Other Comprehensive Income at 30 June 2016
The following holdings are valued at fair value through Other Comprehensive Income.

	2016	2015
	Market value	Market value
	\$'000	\$'000
Other liquid securities		
APT Pipelines Limited	1,016	1,039
Bank of Queensland Limited		
- convertible preference shares	5,170	5,250
Colonial Group		
- subordinated notes	1,013	1,010
Commonwealth Bank of Australia		
- Perls III	-	986
Goodman Funds Management		
- perpetual listed unsecured securities	-	1,108
Woolworths Limited notes II	-	204
	7,199	9,597