



Diversified United Investment Limited

APPENDIX 4D FOR THE HALF YEAR ENDED 31 DECEMBER 2022

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- Results for Announcement to the Market
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- Financial Statements
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RESULTS FOR ANNOUNCEMENT TO THE MARKET

The reporting period is the **half year ended 31 December 2022** with the previous corresponding period being the half year ended 31 December 2021.

The Report is based on audit reviewed financial statements. A copy of the Auditor's Review Report can be found on page 17.

Results for announcement to the market

- Revenue from operating activities was \$25.8 million, a rise of 12.6% from the previous corresponding period.
- Profit after tax was \$21.0 million, an increase of 9.4% from the previous corresponding period. Net realised gains and losses on the direct investment portfolio are recorded in the Realisation Reserve.
- Profit after tax includes a net decrease in the fair value of unlisted managed fund investments of \$554,000 after tax (previous corresponding period decrease of \$720,000) and special dividends received of \$350,000 after tax (previous corresponding period \$1,178,000). Excluding these items profit after tax rose 13.1%¹.
- Earnings per share based on profit after tax rose 8.9% to 9.8 cents (previous corresponding period 9.0 cents). Excluding fair value movements on unlisted managed fund investments and special dividends received, earnings per share rose 12.5%¹ to 9.9 cents. The weighted average number of ordinary shares for the period was 215,327,083 compared with 213,132,809 in the previous corresponding period, an increase of 1.0%.
- The interim dividend is 7.0 cents per share (previous corresponding period 7.0 cents) fully franked payable on 17 March 2023. The record date for determining entitlement to the interim dividend is 24 February 2023.
- The interim dividend will not include any Listed Investment Company capital gain dividend.
- The Company operates a Dividend Reinvestment Plan ("DRP") under which 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 at the volume weighted average selling price of shares traded on the Australian Securities Exchange on the Dividend ex-date of 23 February 2023 and the following four business days, without any discount. The last day for receipt of an election notice for participation in the plan is 27 February 2023.
- The Pre-tax Net Tangible Asset ("Pre-tax NTA") backing of the Company's shares at 31 December 2022 was \$5.17 per share (30 June 2022 \$4.96, 31 December 2021 \$5.45). The Pre-tax NTA backing calculation is before any future tax benefit of net realised losses, before estimated tax on net unrealised gains and losses, and before provision for the Company's interim dividend.

¹ Additional non-IFRS information.

DIVERSIFIED UNITED INVESTMENT LIMITED

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AUSTRALIA

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17 February 2023

ASX Announcement

Financial Results and Dividend Announcement for the Half Year Ended 31 December 2022

The Directors make the following report concerning the Company's performance and interim dividend.

Profit and Realised Capital Gains

Profit after income tax for the half year ended 31 December 2022 was \$21,046,000 (previous corresponding period \$19,238,000), an increase of 9.4%.

Profit after tax includes a net decrease in the fair value of unlisted managed fund investments of \$554,000 after tax (previous corresponding period decrease of \$720,000) and special dividends of \$350,000 after tax (previous corresponding period \$1,178,000). Excluding these items, profit after tax rose by 13.1%¹.

Net profit has improved as a result of increased dividend income received from companies in which we are invested, as businesses continue to recover from the effects of the COVID pandemic. Markets have been volatile, with increasing interest rates and inflationary pressures generating uncertainty, the Ukraine conflict continuing to benefit the energy sector and resources companies benefiting from high commodity prices.

The profit for the half year excludes net realised gains and losses on listed investments which are transferred directly to the Realisation Reserve. The net realised losses on the listed investment portfolio after tax for the half year were \$2,627,000 (previous corresponding period loss of \$2,216,000).

Earnings Per Share

Earnings per share based on profit after tax was 9.8 cents (previous corresponding period 9.0 cents). Excluding fair value movements on unlisted managed fund investments and special dividends received, earnings per share increased 12.5% to 9.9¹ cents per share (previous corresponding period 8.8 cents).

The weighted average number of ordinary shares for the half year was 215,327,083 (previous corresponding period 213,132,809) taking into account the shares issued in the dividend reinvestment plan and the 2022 Share Purchase Plan.

¹ Additional non-IFRS information.

Dividends

The Directors have declared an interim dividend of 7.0 cents per share fully franked at 30% to shareholders registered on 24 February 2023, to be paid on 17 March 2023. The comparable 2022 interim dividend was 7.0 cents per share fully franked at 30%.

LIC Capital Gains

The interim dividend will not include any Listed Investment Company capital gain dividend.

Dividend Reinvestment Plan

The Company operates a Dividend Reinvestment Plan ("DRP") under which 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 at the volume weighted average selling price of shares traded on the Australian Securities Exchange on the Dividend ex-date of 23 February 2023 and the four business days immediately following that date. The last day for the receipt of an election notice for participation in the plan is 27 February 2023.

Asset Backing

The Pre-tax Net Tangible Asset ("Pre-tax NTA") backing of the Company's shares was \$5.17 per share at 31 December 2022 and \$5.45 per share at 31 January 2023 (30 June 2022 \$4.96, 31 December 2021 \$5.45). The Pre-tax NTA backing calculation is before any future tax benefit of net realised losses, before estimated tax on net unrealised gains and losses, and before provision for the Company's interim dividend.

The Company is a long-term investor and does not intend disposing of its total portfolio. If, however, estimated tax on net unrealised portfolio gains were to be deducted, the NTA backing at would have been \$4.33 per share at 31 December 2022 and \$4.53 per share at 31 January 2023 (30 June 2022 \$4.17, 31 December 2021 \$4.49).

Performance

The Company's Pre-tax NTA accumulation performance (assuming all dividends paid by the Company were reinvested in its shares, and after all expenses and tax) for the half year to 31 December 2022 was a rise of 6.1% while the S&P/ASX 200 accumulation index rose 9.8% over the same period. The Company's accumulation performance is after tax, all expenses, and the impact of the Company's gearing. Such items are not included in the S&P/ASX Index.

Including the value of franking credits for shareholders who can fully utilise them, the Company's accumulation return for the half year to 31 December 2022 was an increase of 6.9% compared to an increase of 10.8% in the S&P/ASX 200 Franking Credit Adjusted Total Return Index.

The Company's relative performance for the half year was assisted by overweight allocations to Rio Tinto, Washington Soul Pattinson and Woodside, and underweight allocation to the technology sector.

Relative performance was held back by overweight allocations to Transurban, Atlas Arteria, and exposure to international markets which broadly underperformed the ASX for the half year – the MSCI All-Countries World Index ex-Australia (gross return) increased 3.8% in Australian dollar terms during the period.

Management Expense Ratio

At 31 December 2022, annualised operating expenses (excluding finance costs) were 0.12% of the average market value of the portfolio (previous corresponding period 0.12%). Including the management fees of the international exchange traded funds and managed funds in which the Company is invested, the expense ratio was 0.17% (previous corresponding period 0.17%).

Portfolio

Portfolio turnover for the half year to 31 December 2022 was 2.1%. The largest additions to and sales from the portfolio for the half year were as follows:

Purchases		Sales	
Perpetual ⁽¹⁾	\$10.0M	Star Entertainment ⁽²⁾	\$7.4M
ANZ Group ⁽¹⁾	\$2.9M	ChinaAMC China Opportunities Fund ⁽²⁾	\$3.5M
		Atlas Arteria ⁽³⁾	\$0.5M

(1) Additions to existing positions.

(2) Full disposal of holding.

(3) Net of participation in capital raising (\$12.9M) and partial disposal of holding (\$13.4M).

At 31 December bank facilities were \$180M, drawn as to \$128.5M, and cash and short-term receivables were \$5.9M. 17.6% of the portfolio was invested in international equities through Exchange Traded Index Funds and two unlisted managed funds.

Outlook

The outlook is for a slowing growth in the world economy with the risk of a mild recession in USA and Europe.

We expect inflation to moderate and interest rates to rise to slightly higher levels than we are currently experiencing.

These various factors are known to the market which is assuming they will be handled with not too much distress. We share this view and expect the market to be volatile around current levels.

DIVERSIFIED UNITED INVESTMENT LIMITED

ABN 33 006 713 177

**Interim Financial Report
for the six months ended 31 December 2022**

DIVERSIFIED UNITED INVESTMENT LIMITED

Directory

Directors

Charles Goode AC - Chairman
Anthony Burgess
Stephen Hiscock
Andrew Larke
Andrew Sisson AO

Company Secretary

James Pollard

Registered Office

Level 20
101 Collins Street
MELBOURNE VIC 3000

Tel: +61 3 9654 0499
Email: info@dui.com.au

Website

www.dui.com.au

Bankers

Australia and New Zealand Banking Group Limited (ANZ)
National Australia Bank Limited (NAB)

Auditors

KPMG
Chartered Accountants

Share Registry

Link Market Services Limited
Level 12, 680 George Street
SYDNEY NSW 2000

Locked Bag A14
SYDNEY SOUTH NSW 1235

Tel: +61 1300 554 474
Email: registrars@linkmarketservices.com.au
Web: www.linkmarketservices.com.au

Securities Exchange

The Company is listed on the Australian Securities Exchange Ltd.
ASX Code: DUI

DIVERSIFIED UNITED INVESTMENT LIMITED

*Interim Financial Report
for the six months ended 31 December 2022*

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DIVERSIFIED UNITED INVESTMENT LIMITED

Directors' Report

The Directors of Diversified United Investment Limited present their Directors' Report together with the financial report for the half-year ended 31 December 2022 and the auditor's review report thereon.

Directors

The Directors of the Company at any time during or since the end of the half-year are:

Name	Period of Directorship
Charles Goode AC (Chairman)	Appointed September 1991
Anthony Burgess	Appointed September 2008
Stephen Hiscock	Appointed November 2011
Andrew Larke	Appointed March 2015
Andrew Sisson	Appointed April 2022

Review of Operations

Profit after income tax for the half-year ended 31 December 2022 was \$21,046,000 (previous corresponding period \$19,238,000). Profit after income tax includes a net decrease in the fair value of unlisted managed fund investments of \$554,000 after tax (previous corresponding period decrease of \$720,000) and special dividends of \$350,000 after tax (previous corresponding period \$1,178,000).

Earnings per share based on profit after tax was 9.8 cents (previous corresponding period 9.0 cents). Excluding net fair value movements on unlisted managed fund investments and special dividends received, earnings per share increased 12.5% to 9.9 cents per share (previous corresponding period 8.8 cents).

At 31 December 2022, annualised operating expenses (excluding finance costs) were 0.12% of the average market value of the portfolio (previous corresponding period 0.12%). Including the management fees of the international exchange traded funds and managed funds in which the Company is invested, the expense ratio was 0.17% (previous corresponding period 0.17%).

The Pre-tax Net Tangible Asset ("Pre-tax NTA") backing of the Company's shares at 31 December 2022 was \$5.17 per share (30 June 2022 \$4.96, 31 December 2021 \$5.45). The Pre-tax NTA backing calculation is before any future tax benefit of net realised losses, before estimated tax on net unrealised gains and losses, and before provision for the Company's interim dividend.

The Company is a long-term investor and does not intend disposing of its total portfolio. If, however, estimated tax on net unrealised portfolio gains were to be deducted, the NTA backing would have been \$4.33 per share (30 June 2022 \$4.17, 31 December 2021 \$4.49).

Dividends

The Board has declared an interim dividend of 7.0 cents per share fully franked (previous corresponding period 7.0 cents per share fully franked).

DIVERSIFIED UNITED INVESTMENT LIMITED

Directors' Report (Continued)

Lead Auditor's Independence Declaration

The Lead Auditor's Independence Declaration is set out on page 6 and forms part of the Directors' Report for the half-year ended 31 December 2022.

Rounding Off

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

Signed in accordance with a resolution of the Directors, for and on behalf of the Board.

Charles Goode
Chairman
17 February 2023



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

To the Directors of Diversified United Investment Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Diversified United Investment Limited for the half-year ended 31 December 2022 there have been:

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

KPMG

Chris Sargent

Partner

Melbourne

17 February 2023

DIVERSIFIED UNITED INVESTMENT LIMITED

Statement of Profit or Loss and Other Comprehensive Income for the six months ended 31 December 2022

	Note	31 December 2022 \$'000	31 December 2021 \$'000
Revenue from investment portfolio		25,764	22,891
Net fair value movements on unlisted investments		(791)	(1,029)
Administration and other expenses		(795)	(735)
Finance expenses		(2,718)	(1,078)
Profit before income tax		21,460	20,049
Income tax expense	8	(414)	(811)
Profit		21,046	19,238
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Revaluation of investment portfolio		45,788	21,184
Provision for tax expense on revaluation of investment portfolio		(14,073)	(6,461)
Other comprehensive profit net of income tax		31,715	14,723
Total comprehensive profit		52,761	33,961
Basic and diluted earnings per share (cents)	4	9.8	9.0

The Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the Notes to the Financial Statements set out on pages 11 to 15.

DIVERSIFIED UNITED INVESTMENT LIMITED

Balance Sheet as at 31 December 2022

	Note	31 December 2022 \$'000	30 June 2022 \$'000
Current assets			
Cash assets		2,907	5,338
Receivables		3,015	6,018
Other assets		106	104
Current tax receivable		581	38
Total current assets		6,609	11,498
Non-current assets			
Investment portfolio	7	1,243,928	1,199,380
Total non-current assets		1,243,928	1,199,380
Total assets		1,250,537	1,210,878
Current liabilities			
Payables		1,153	1,582
Borrowings – interest bearing	10	32,500	-
Total current liabilities		33,653	1,582
Non-current liabilities			
Borrowings – interest bearing	10	96,000	150,000
Deferred tax liability	9	181,660	167,775
Total non-current liabilities		277,660	317,775
Total liabilities		311,313	319,357
Net assets		939,224	891,521
Equity			
Issued capital	6	460,593	446,415
Reserves		478,631	445,106
Total equity		939,224	891,521

The Balance Sheet is to be read in conjunction with the Notes to the Financial Statements set out on pages 11 to 15.

DIVERSIFIED UNITED INVESTMENT LIMITED

Statement of Changes in Equity for the six months ended 31 December 2022

	Issued Capital \$'000	Revaluation Reserve \$'000	Realisation Reserve \$'000	Retained Earnings \$'000	Total Equity \$'000
As at 1 July 2021	442,098	447,568	(17,483)	66,976	939,159
Comprehensive Income					
Revaluation of investment portfolio	-	21,184	-	-	21,184
Tax expense on revaluation	-	(6,461)	-	-	(6,461)
Net realised losses on investment portfolio	-	3,166	(3,166)	-	-
Tax benefit on net realised losses	-	(950)	950	-	-
Profit	-	-	-	19,238	19,238
Transfer net fair value movements on unlisted investments to Revaluation Reserve	-	(1,029)	-	1,029	-
Tax benefit on net fair value movements on unlisted investments	-	309	-	(309)	-
	-	16,219	(2,216)	19,958	33,961
Transactions with shareholders					
Dividend reinvestment plan	2,378	-	-	-	2,378
Dividends	-	-	-	(18,095)	(18,095)
	2,378	-	-	(18,095)	(15,717)
As at 31 December 2021	444,476	463,787	(19,699)	68,839	957,403

	Issued Capital \$'000	Revaluation Reserve \$'000	Realisation Reserve \$'000	Retained Earnings \$'000	Total Equity \$'000
As at 1 July 2022	446,415	373,278	(13,540)	85,368	891,521
Comprehensive Income					
Revaluation of investment portfolio	-	45,788	-	-	45,788
Tax expense on revaluation	-	(14,073)	-	-	(14,073)
Net realised losses on investment portfolio	-	3,745	(3,745)	-	-
Tax benefit on net realised losses	-	(1,118)	1,118	-	-
Profit	-	-	-	21,046	21,046
Transfer net fair value movements on unlisted investments to Revaluation Reserve	-	(791)	-	791	-
Tax benefit on net fair value movements on unlisted investments	-	237	-	(237)	-
	-	33,788	(2,627)	21,600	52,761
Transactions with shareholders					
Dividend reinvestment plan	2,406	-	-	-	2,406
Share Purchase Plan	11,772	-	-	-	11,772
Dividends	-	-	-	(19,236)	(19,236)
	14,178	-	-	(19,236)	(5,058)
As at 31 December 2022	460,593	407,066	(16,167)	87,732	939,224

The Statement of Changes in Equity is to be read in conjunction with the Notes to the Financial Statements set out on pages 11 to 15.

DIVERSIFIED UNITED INVESTMENT LIMITED

Statement of Cash Flows for the six months ended 31 December 2022

	31 December 2022 \$'000	31 December 2021 \$'000
Cash flows from operating activities		
Interest received	122	5
Dividends and trust distributions received	26,058	23,460
Foreign income	2,262	6,408
Option premium income received	9	-
Administration and other expenses paid	(612)	(541)
Finance costs paid	(2,534)	(914)
Income taxes paid	(830)	(1,420)
Net cash flow from operating activities	24,475	26,998
Cash flows from investing activities		
Proceeds from sale of investments	26,367	36,733
Purchases of investments	(26,985)	(76,892)
Net cash flow used in investing activities	(618)	(40,159)
Cash flows from financing activities		
Share Purchase Plan	11,772	-
Dividends paid net of dividend reinvestment plan	(16,830)	(15,717)
Proceeds from borrowings	(21,230)	27,500
Net cash flow (used in) / from financing activities	(26,288)	11,783
Net decrease in cash held	(2,431)	(1,378)
Cash and cash equivalents at 1 July	5,338	5,156
Cash and cash equivalents at 31 December	2,907	3,778

The Statement of Cash Flows is to be read in conjunction with the Notes to the Financial Statements set out on pages 11 to 15.

DIVERSIFIED UNITED INVESTMENT LIMITED

Notes to the Financial Statements for the six months ended 31 December 2022

1. Reporting Entity

Diversified United Investment Limited (the 'Company') is a for-profit Company domiciled in Australia.

The Annual Financial Report of the Company as at and for the year ended 30 June 2022 is available on the Company's website at www.dui.com.au.

2. Statement of compliance

The Interim Financial Report is a general purpose financial report which has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001.

The Interim Financial Report does not include all of the information required for a full Annual Financial Report, and should be read in conjunction with the Annual Financial Report of the Company as at and for the year ended 30 June 2022.

This Interim Financial Report was approved by the Board of Directors on 17 February 2023.

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

3. Basis of preparation

The accounting policies applied by the Company in this interim financial report are the same as those applied by the Company in the Financial Report as at and for the year ended 30 June 2022.

The interim financial report is prepared on a going concern basis. The Company has prepared an assessment of its ability to continue as a going concern, taking into account all available information for a period of 12 months from the date of these financial statements. The net deficiency of current assets over current liabilities for the period ended 31 December 2022 of \$27.0 million arises due to \$32.5 million of borrowing facilities being due within 12 months. These facilities are expected to be renewed before expiry in July 2023. In addition, the Company has access to cash from its highly liquid equity portfolio should funds be required.

4. Earnings per share

	31 December 2022 Cents	31 December 2021 Cents
Basic and diluted earnings per share	9.8	9.0
Basic and diluted earnings per share excluding special dividends and net fair value movements on unlisted managed fund investments	9.9	8.8

There are no factors which cause diluted earnings per share to be different from basic earnings per share.

DIVERSIFIED UNITED INVESTMENT LIMITED

Notes to the Financial Statements for the six months ended 31 December 2022

4. Earnings per share (continued)

Net fair value movements on unlisted investments after tax included in earnings were a loss of \$554,000 for the half year ended 31 December 2022 (previous corresponding period loss of \$720,000).

Special dividends of \$350,000 after tax were received for the half year ended 31 December 2022 (previous corresponding period \$1,178,000).

The earnings per share for the half-year are calculated on a weighted average adjusted number of ordinary shares of 215,327,083 (previous corresponding period 213,132,809) taking into account the shares issued in the dividend reinvestment plan and 2022 Share Purchase Plan.

5. Dividends

	31 December 2022 \$'000	31 December 2021 \$'000
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Dividends recognised in the current period by the Company are:

Final fully franked dividend of 9.0 cents per share paid on 9 September 2022 (previous corresponding period 8.5 cents)	19,236	18,095
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Since 31 December 2022, the Directors have declared the following dividend payable on 17 March 2023:

Interim dividend of 7.0 cents per share fully franked (previous corresponding period 7.0 cents)	15,174	14,934
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The financial effect of this dividend has not been brought to account in the Interim Financial Report for the period ended 31 December 2022.

6. Issued Capital

	31 December 2022 \$'000	30 June 2022 \$'000
216,771,224 ordinary fully paid shares (30 June 2022: 213,340,526)	460,593	446,415
Movements in issued capital:		
Balance at beginning of period	446,415	442,098
Shares issued		
Dividend reinvestment plan (i)	2,406	4,317
Share Purchase Plan (ii)	11,772	-
	460,593	446,415

- (i) In respect of the 2022 final dividend paid on 9 September 2022, 491,962 shares were issued at \$4.9018 each under the dividend reinvestment plan.
- (ii) In respect of the 2022 Share Purchase Plan, 2,541,592 shares were issued at \$4.66 each on 30 September 2022.

DIVERSIFIED UNITED INVESTMENT LIMITED

Notes to the Financial Statements for the six months ended 31 December 2022

7. Net Fair Values of Financial Assets and Liabilities

Valuation approach

Net fair values of financial assets and liabilities are determined by the Company on the following basis:

Recognised financial instruments

Listed securities included in “Investments” are readily traded on organised markets in a standardised form. The net fair value of listed securities is determined by valuing them at the last quoted market price as at balance date. In accordance with Australian Accounting Standards, this is considered “Level 1” under the fair value measurement hierarchy, which is defined as quoted prices (unadjusted) in active markets for identical assets or liabilities.

The net fair value of unlisted managed funds is determined by valuing them at the net asset value provided by the fund manager as at balance date. Unlisted managed funds included in “Investments” are considered “Level 2” under the fair value measurement hierarchy, which is defined as inputs other than quoted prices, which can be observed either directly (as prices) or indirectly (derived from prices).

As at 31 December 2022, the Company’s Level 1 investments totalled \$1,215,243,000 (30 June 2022: \$1,168,298,000) and Level 2 investments totalled \$28,685,000 (30 June 2022: \$31,082,000).

Fixed interest borrowings

At 31 December 2022, the fair value of the Company’s fixed interest rate borrowings was \$12,482,000 (30 June 2022: \$12,745,000) while the face value was \$12,500,000 (30 June 2022: \$12,500,000).

For all other financial assets and liabilities, the carrying amount closely approximates its fair value.

8. Taxation

	31 December 2022 \$’000	31 December 2021 \$’000
Income Tax and Other Adjustments		
Prior year over provision on income tax	169	78
Deferred tax adjustments	189	443
Current income tax expense	(772)	(1,332)
Tax expense attributable to profit	(414)	(811)

DIVERSIFIED UNITED INVESTMENT LIMITED

Notes to the Financial Statements for the six months ended 31 December 2022

9. Deferred Tax Assets and Liabilities

	31 December 2022 \$'000	30 June 2022 \$'000
Revaluation Reserve – Provision for tax on net unrealised gains on the equity investment portfolio	182,995	167,869
Tax effect of sundry items	(31)	56
Tax benefit of capital losses carried forward	(1,304)	(150)
Net deferred tax liabilities	181,660	167,775

10. Borrowings

	31 December 2022 \$'000	30 June 2022 \$'000
Current		
Bank borrowings - secured	32,500	-
Non-current		
Bank borrowings - secured	96,000	150,000
	128,500	150,000

The total face value of the drawn facilities at period end was \$128.5 million (30 June 2022: \$150.0 million).

At 31 December 2022 the market value of investments secured against the loan facility was \$369 million (30 June 2022: \$345 million).

11. Segment Reporting

The Company operates as an investment company in Australia.

At 31 December 2022, \$1,024,281,000 or 82.0% of the investment portfolio is in Australian equities (30 June 2022 \$980,505,000 or 81.1%) and \$219,648,000 or 17.6% of the investment portfolio is in international equities (30 June 2022 \$218,875,000 or 18.1%).

Income received from these segments during the period totalled \$23,695,000 or 92.4% of total investment portfolio revenue from Australian equities (previous corresponding period \$20,980,000 or 91.7%) and \$1,937,000 or 7.6% of total investment portfolio revenue from international equities (previous corresponding period \$1,905,000 or 8.3%).

DIVERSIFIED UNITED INVESTMENT LIMITED

Notes to the Financial Statements for the six months ended 31 December 2022

12. *Contingent Liabilities and Capital Commitments*

There were no contingent liabilities or capital commitments as at 31 December 2022.

13. *Related Parties*

All arrangements with related parties are consistent with those disclosed in the Annual Financial Report as at and for year ended 30 June 2022.

14. *Events Subsequent to Balance Date*

There have not arisen in the interval between the end of the half-year and the date of this report any items, transactions or events of a material and unusual nature, likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial periods.

DIVERSIFIED UNITED INVESTMENT LIMITED

Directors' Declaration

In the opinion of the Directors of Diversified United Investment Limited ("the Company"):

1. The interim Financial Statements and Notes set out on pages 7 to 15, are in accordance with the Corporations Act 2001 including:
 - (a) giving a true and fair view of the financial position of the Company as at 31 December 2022 and of its performance, as represented by the results of its operations and cash flows for the half-year ended on that date; and
 - (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.

Charles Goode
Chairman
17 February 2023



Independent Auditor's Review Report

To the shareholders of Diversified United Investment Limited

Conclusion

We have reviewed the accompanying **Interim Financial Report** of Diversified United Investment Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of Diversified United Investment Limited does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the Company's financial position as at 31 December 2022 and of its performance for the six months ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Interim Financial Report** comprises:

- Balance sheet as at 31 December 2022;
- Statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six months ended on that date;
- Notes 1 to 14 comprising a summary of significant accounting policies and other explanatory information; and
- The Directors' Declaration.

The **Interim Period** is the six months ended on 31 December 2022.

Basis for Conclusion

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

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

Responsibilities of the Directors for the Interim Financial Report

The Directors of the Company are responsible for:

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



Auditor's Responsibilities for the Review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2022 and its performance for the Interim Period ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

KPMG

Chris Sargent

Partner

Melbourne

17 February 2023