

DIVERSIFIED UNITED INVESTMENT LIMITED

ABN 33 006 713 177

APPENDIX 4D STATEMENT FOR THE HALF YEAR ENDED 31 DECEMBER 2019

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- Results for announcement to the market
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RESULTS FOR ANNOUNCEMENT TO THE MARKET

The reporting period is the **half year ended 31 December 2019** with the prior corresponding period being the half year ended 31 December 2018.

The Report is based on audit reviewed financial statements. A copy of the Auditor's Review Report can be found on page 15.

Results for announcement to the market

- Revenue from ordinary activities was \$20.9 million, up 1.6% from the prior corresponding period.
- Profit after tax and before net realised and unrealised gains and losses on the investment portfolio was \$17.4 million, up 2.2% from the prior corresponding period. Net realised gains and losses are recorded in the Asset Realisation Reserve.
- In the latest period special dividends of \$650,000 were received (prior corresponding period \$150,000).
- Excluding special dividends received revenue fell 0.9%* and profit after tax fell 0.8%*.
- Earnings per share based on profit after tax were 8.2 cents (prior corresponding period 8.1 cents). Excluding special dividends received, earnings per share fell 1.3%* to 7.9 cents. The weighted average number of ordinary shares for the period rose 0.4% to 211,272,654, after taking into account the shares issued in the dividend re-investment plan.
- The interim dividend is 7.0 cents per share (7.0 cents for the prior corresponding period) fully franked payable on 16 March 2020. The record date for determining entitlement to the interim dividend is 24 February 2020.
- 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 21 February 2020 and the following four business days, without any discount. The last day for receipt of an election notice for participation in the plan is 25 February 2020.
- The net tangible asset backing per share based on the market valuation of investments was \$5.01 at 31 December 2019, compared to \$4.10 at the end of the prior corresponding period, an increase of 22.2%. These calculations are after tax on net realised gains, before any future tax benefit of net realised losses, before estimated tax on net unrealised gains/losses, and before provision for the interim dividend.

* Additional non IFRS information, not subject to external review.

DIVERSIFIED UNITED INVESTMENT LIMITED

ABN 33 006 713 177

LEVEL20
101 COLLINS STREET
MELBOURNE VIC 3000
AUSTRALIA

TEL (613) 9654 0499
FAX (613) 9654 3499

13 February 2020

The General Manager
Australian Securities Exchange Ltd
10th Floor
20 Bond Street
Sydney NSW 2000

Dear Sir,

Financial Results and Dividend Announcement
for the Financial Half Year Ended 31 December 2019

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 2019 was \$17,427,000 (prior corresponding period: \$17,059,000) an increase of 2.2%. The profit for this period includes special dividends of \$650,000 (prior corresponding period: \$150,000). Excluding special dividends, profit after tax fell by 0.8%*. There were no capital distributions received from managed funds (prior corresponding period: nil).

The profit for the half year excludes net realised gains and losses which are transferred directly to the Asset Realisation Reserve. The net realised losses on the investment portfolio after tax for the half year were \$1,763,000 (prior corresponding period net losses: \$3,623,000).

Operating expenses (excluding interest) for the half year were 0.06% of the average market value of the portfolio (prior corresponding period: 0.06%). Including the management fees of the international exchange traded funds and managed funds in which the Company is invested, the expense ratio was 0.08% (prior corresponding period: 0.07%).

Earnings Per Share

Earnings per share excluding the special dividends received fell 1.3% to 7.9* cents per share.

The weighted average number of ordinary shares for the period was 211,272,654 (prior corresponding period: 210,174,553) taking into account the shares issued in the dividend re-investment plan.

* Additional non IFRS information, not subject to external review.

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Dividends

The Directors have declared an interim dividend of 7.0 cents per share fully franked to shareholders registered on 24 February 2020, to be paid on 16 March 2020. The comparable 2019 interim dividend was 7.0 cents per share fully franked.

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 21 February 2020 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 25 February 2020.

Asset Backing

The net tangible asset backing per share based on the market valuation of investments was \$5.01 at 31 December 2019 and \$5.30 at 31 January 2020. These calculations are after tax on net realised gains, but before any future tax benefit of net realised losses and before estimated tax on net unrealised gains and losses. They are also before provision for the interim dividend.

The Company is a long term investor and does not intend disposing of its total portfolio. If estimated tax on net unrealised gains were to be deducted, the above figures would be \$4.19 at 31 December 2019 and \$4.39 at 31 January 2020.

Performance

The Company’s net asset backing 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 2019 was a rise of 5.8% while the S&P/ASX 200 accumulation index rose 3.1% 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 the Company’s accumulation return for the half year to 31 December 2019 was an increase of 6.5% compared to an increase of 3.8% in the S&P/ASX 200 Franking Credit Adjusted Total Return Index.

Portfolio

At 31 December bank facilities were \$115M, drawn as to \$72.5M, and cash and short-term receivables were \$36M. 16.5% of the portfolio was invested in international equities principally through Exchange Traded Index Funds.

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Investment Portfolio

As at 31 December 2019 the twenty-five largest shareholdings of the company, at market values were:

	Market Value \$'000	Market Value of Total Investments
Australian Equities		
CSL Ltd	155,804	13.8%
Transurban Group	82,005	7.2%
Commonwealth Bank of Australia Ltd	79,900	7.0%
Westpac Banking Corporation	57,011	5.0%
Australia & New Zealand Banking Group Ltd	49,260	4.3%
Rio Tinto Ltd	47,188	4.2%
BHP Billiton Ltd	46,704	4.1%
Woodside Petroleum Ltd	38,506	3.4%
Atlas Arteria Ltd Ordinary Stapled Sec	35,235	3.1%
Sydney Airport Group	32,042	2.8%
National Australia Bank Ltd	27,093	2.4%
Wesfarmers Ltd	26,910	2.4%
Woolworths Ltd	25,312	2.2%
Washington H Soul Pattinson & Company Ltd	23,650	2.1%
IDP Education Ltd	17,170	1.5%
Ramsay Health Care Ltd	14,506	1.3%
Sonic Healthcare Ltd	14,375	1.3%
Stockland Units	13,860	1.2%
Computershare Ltd	11,746	1.1%
Total Australian Equities in Top 25:	798,277	70.4%
International Equities		
Vanguard All World Ex- US	38,711	3.4%
Vanguard US Total Market	36,756	3.2%
Vanguard Information Tech ETF	25,833	2.3%
iShares TR MSCI USA Min Vol ETF	23,089	2.1%
Northcape Capital Global Emerging Market Fund	17,169	1.5%
iShares Global Healthcare ETF	14,562	1.3%
Total International Equities in Top 25:	156,120	13.8%
Total Top 25 Australian & International Equities	954,697	84.2%
Total Investments at Market Value, Net Short Term Receivables and Cash	1,134,338	

Yours faithfully,

A J Hancock
Company Secretary

DIVERSIFIED UNITED INVESTMENT LIMITED
(ABN 33 006 713 177)

INTERIM FINANCIAL REPORT
FOR THE SIX MONTHS ENDED 31 DECEMBER 2019

DIVERSIFIED UNITED INVESTMENT LIMITED

Directory

Directors

C B Goode AC - Chairman
A R Burgess
S G Hiscock
A J P Larke

Company Secretary

Andrew J Hancock FCA

Registered Office

Level 20
101 Collins Street
Melbourne VIC 3000
Tel: (613) 9654 0499
Fax: (613) 9654 3499
Email: info@dui.com.au
Website: www.dui.com.au

Bankers

Australia and New Zealand Banking Group Limited
National Australia Bank Limited

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 2019***

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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 2019 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)	Director since 1991
Anthony Burgess	Director since 2008
Stephen Hiscock	Director since 2011
Andrew Larke	Director since 2015

Review of Operations

Profit after income tax for the half-year ended 31 December 2019 was \$17,427,000 (prior corresponding period: \$17,059,000). Special dividends of \$650,000 after tax were received for the half year ended 31 December 2019 (prior corresponding period: \$150,000).

Earnings per share based on profit after tax was 8.2 cents, prior corresponding period 8.1 cents. Excluding special dividends received, earnings per share decreased 1.3% to 7.9 cents per share.

Operating expenses (excluding finance expenses) were 0.06% of the average market value of the portfolio (prior corresponding period: 0.06%).

Dividends

The board has declared an interim dividend of 7.0 cents per share fully franked (prior corresponding period: 7.0 cents per share fully franked).

Lead Auditor's Independence Declaration

The lead auditor's independence declaration is set out on page 5 and forms part of the Directors' Report for the half-year ended 31 December 2019.

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 financial report and Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Dated at Melbourne this 13th day of February 2020.

Signed in accordance with a resolution of the directors, for and on behalf of the board.



Charles Goode
Director



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 2019 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
13 February 2020

DIVERSIFIED UNITED INVESTMENT LIMITED
Statement of Profit or Loss and Other Comprehensive Income
for the six months ended 31 December 2019

	Note	31 December 2019 \$'000	31 December 2018 \$'000
Revenue from investment portfolio		20,865	20,537
Administration and other expenses		(702)	(602)
Finance expenses		(1,429)	(2,011)
Profit before income tax		18,734	17,924
Income tax expense	8	(1,307)	(865)
Profit after income tax		17,427	17,059
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Revaluation of investment portfolio		42,205	(76,310)
Provision for tax expense on revaluation of investment portfolio		(13,447)	22,503
Other Comprehensive Income net of income tax		28,758	(53,807)
Total Comprehensive Income		46,185	(36,748)
Basic and diluted earnings per share (cents)	4	8.2	8.1

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 10 to 13.

DIVERSIFIED UNITED INVESTMENT LIMITED

Balance Sheet
as at 31 December 2019

	Note	31 December 2019 \$'000	30 June 2019 \$'000
Assets			
Cash assets		32,268	73,392
Receivables		3,919	7,009
Other		102	90
Total Current Assets		36,289	80,491
Investment portfolio	7	1,097,788	1,031,995
Total Non-Current Assets		1,097,788	1,031,995
Total Assets		1,134,077	1,112,486
Liabilities			
Payables		482	473
Option valuation		37	-
Borrowings – interest bearing	10	20,000	22,500
Current tax payable		810	772
Total Current Liabilities		21,329	23,745
Provision for long service leave		50	50
Borrowings – interest bearing	10	52,500	72,500
Deferred tax liability	9	173,704	160,315
Total Non-Current Liabilities		226,254	232,865
Total Liabilities		247,583	256,610
Net Assets		886,494	855,876
Equity			
Issued capital	6	435,742	433,372
Reserves		450,752	422,504
Total Equity		886,494	855,876

The Balance Sheet is to be read in conjunction with the Notes to the Financial Statements set out on pages 10 to 13.

DIVERSIFIED UNITED INVESTMENT LIMITED

**Statement of Changes in Equity
for the six months ended 31 December 2019**

	Issued Capital \$'000	Revaluation Reserve \$'000	Realisation Reserve \$'000	Retained Earnings \$'000	Total Equity \$'000
As at 1 July 2018	428,689	305,862	(3,746)	67,466	798,271
Comprehensive Income					
Revaluation of investment portfolio	-	(76,310)	-	-	(76,310)
Tax on revaluation	-	22,501	-	-	22,501
Net realised losses on investment portfolio	-	4,582	(4,582)	-	-
Tax benefit on net realised losses	-	(959)	959	-	-
Profit	-	-	-	17,059	17,059
	-	(50,186)	(3,623)	17,059	(36,750)
Transactions with shareholders					
Dividend reinvestment plan	2,580	-	-	-	2,580
Dividends	-	-	-	(17,840)	(17,840)
	2,580	-	-	(17,840)	(15,260)
As at 31 December 2018	431,269	255,676	(7,369)	66,685	746,261
	Issued Capital \$'000	Revaluation Reserve \$'000	Realisation Reserve \$'000	Retained Earnings \$'000	Total Equity \$'000
As at 1 July 2019	433,372	355,490	(5,894)	72,908	855,876
Comprehensive Income					
Revaluation of investment portfolio	-	42,205	-	-	42,205
Tax on revaluation	-	(13,447)	-	-	(13,447)
Net realised losses on investment portfolio	-	1,830	(1,830)	-	-
Tax benefit on net realised losses	-	(67)	67	-	-
Profit	-	-	-	17,427	17,427
	-	30,521	(1,763)	17,427	46,185
Transactions with shareholders					
Dividend reinvestment plan	2,370	-	-	-	2,370
Dividends	-	-	-	(17,937)	(17,937)
	2,370	-	-	(17,937)	(15,567)
As at 31 December 2019	435,742	386,011	(7,657)	72,398	886,494

The Statement of Changes in Equity is to be read in conjunction with the Notes to the Financial Statements set out on pages 10 to 13.

DIVERSIFIED UNITED INVESTMENT LIMITED

Statement of Cash Flows

for the six months ended 31 December 2019

	31 December 2019 \$'000	31 December 2018 \$'000
Cash flows from operating activities		
Interest received	235	91
Dividends and trust distributions received	21,022	26,251
Foreign income	2,296	1,651
Option premium income received	110	-
Administration and other expenses paid	(609)	(569)
Finance costs paid	(1,522)	(2,061)
Income taxes paid	(1,001)	(1,080)
Net cash flow from operating activities	20,531	24,283
Cash flows from investing activities		
Proceeds from sale of investments	14,813	53,285
Purchases of investments	(38,401)	(50,089)
Net cash flow from investing activities	(23,588)	3,196
Cash flows from financing activities		
Dividends paid net of dividend reinvestment plan	(15,567)	(15,261)
Repayments of borrowings	(22,500)	-
Net cash flow used in financing activities	(38,067)	(15,261)
Net (decrease)/increase in cash held	(41,124)	12,218
Cash and cash equivalents at 1 July	73,392	4,131
Cash and cash equivalents at 31 December	32,268	16,349

The Statement of Cash Flows is to be read in conjunction with the Notes to the Financial Statements set out on pages 10 to 13.

DIVERSIFIED UNITED INVESTMENT LIMITED

Notes to the Financial Statements for the six months ended 31 December 2019

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 2019 is available upon request from the Company's office at Level 20, 101 Collins Street Melbourne Vic 3000 or 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 2019.

This interim financial report was approved by the Board of Directors on 13 February 2020.

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 financial report have been rounded off to the nearest thousand dollars, unless otherwise stated.

3. *Significant Accounting Policies*

AASB 16 Leases is applicable for the year ending 30 June 2020. The Company has assessed the impact of the new standard and because the company has no leases, AASB 16 will have no impact on the Company's financial statements.

Other than the above, 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 at 30 June 2019.

4. *Earnings per share*

	31 December 2019 Cents	31 December 2018 Cents
Basic and diluted earnings per share	8.2	8.1
Basic and diluted earnings per share excluding special dividends	7.9	8.0

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

Special dividends of \$650,000 after tax were received for the half year ended 31 December 2019 (prior corresponding period: \$150,000).

The earnings per share for the half-year are calculated on a weighted average adjusted number of ordinary shares of 211,272,654 (prior corresponding period: 210,174,553) taking into account the shares issued in the dividend re-investment plan.

DIVERSIFIED UNITED INVESTMENT LIMITED

**Notes to the Financial Statements
for the six months ended 31 December 2019**

5. Dividends

	31 December 2019 \$'000	31 December 2018 \$'000
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Dividends recognised in the current period by the Company are:

Final fully franked dividend of 8.5 cents per share paid on 20 September 2019 (previous corresponding period: 8.5 cents)	17,937	17,841
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Subsequent to reporting date:

Since 31 December 2019, the directors have declared the following dividend payable on 16 March 2020:

Interim dividend of 7.0 cents per share fully franked (previous corresponding period: 7.0 cents)	14,805	14,735
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The financial effect of this dividend has not been brought to account in the financial statements for the period ended 31 December 2019.

6. Issued Capital

	31 December 2019 \$'000	30 June 2019 \$'000
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211,498,113 ordinary fully paid shares (30 June 2019: 210,966,260)	435,742	433,372
Movements in issued capital		
Balance at beginning of period	433,372	428,689
Shares Issued		
Dividend re-investment plan (i)	2,370	4,683
	435,742	433,372

(i) In respect of the 2019 final dividend paid on 20 September 2019, 531,853 shares were issued at \$4.4554 each under the dividend re-investment plan.

7. Net Fair Values of Financial Assets and Liabilities

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. Level 1 investments comprised \$1,068,939,000 (2019: \$908,084,000).

DIVERSIFIED UNITED INVESTMENT LIMITED

**Notes to the Financial Statements
for the six months ended 31 December 2019**

7. Net Fair Values of Financial Assets and Liabilities (Cont.)

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). Level 2 investments comprised \$28,850,000 (2019: \$30,009,000).

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

8. Taxation

	31 December 2019 \$'000	31 December 2018 \$'000
Income Tax and Other Adjustments		
Prior year (under) / over provision on deferred tax	-	74
Deferred tax adjustments	57	104
Current income tax expense	(1,364)	(1,043)
Tax expense attributable to profit	(1,307)	(865)

9. Deferred Tax Assets and Liabilities

	31 December 2019 \$'000	30 June 2019 \$'000
Revaluation reserve – Provision for tax on net unrealised gains on the equity investment portfolio	173,957	160,443
Other	380	438
Tax benefit of capital losses carried forward	(633)	(566)
Net deferred tax liabilities	173,704	160,315

10. Borrowings

	31 December 2019 \$'000	30 June 2019 \$'000
Current	20,000	22,500
Non-Current	52,500	72,500
Loan Facilities - Secured	72,500	95,000

The total face value of the drawn facilities at period end was \$72.5 million (30 June 2019: \$95 million).

At 31 December 2019 the market value of investments secured against the loan facility was \$364 million (30 June 2019: \$386 million).

DIVERSIFIED UNITED INVESTMENT LIMITED

Notes to the Financial Statements for the six months ended 31 December 2019

11. Segment Reporting

The Company operates as an investment company in Australia. Approximately 16.5% of the investment portfolio is in international equities, principally held through listed exchange traded funds.

12. Contingent Liabilities and Capital Commitments

There were no contingent liabilities or capital commitments as at 31 December 2019.

13. Related Parties

All arrangements with related parties are consistent with those disclosed in the 30 June 2019 annual financial report.

14. Events Subsequent to Balance Date

The S&P/ASX200 share market index rose 6% from 31 December 2019 to 12 February 2020. The Company's Australian investment portfolio moves broadly in line with the index.

Other than the above, there has 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 6 to 13, 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 2019 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.

Dated at Melbourne this 13th day of February 2020.

Signed in accordance with a resolution of the Directors.



Charles Goode
Director



Independent Auditor's Review Report

To the members of Diversified United Investment Limited

Report on the Interim Financial Report of Diversified United Investment Limited

Conclusion

We have reviewed the accompanying **Interim Financial Report** of Diversified United Investment Limited (the "Company").

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 is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Company's financial position as at 31 December 2019 and of 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*.

The **Interim Financial Report** comprises:

- the balance sheet as at 31 December 2019
- statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the Interim Period ended on that date
- Notes 1 to 13 comprising a summary of significant accounting policies and other explanatory information
- The Directors' Declaration.

The **Interim Period** is the six months ended on 31 December 2019.

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 is free from material misstatement, whether due to fraud or error.



Auditor's responsibility for the review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. We conducted our review in accordance with *Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the Interim Financial Report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Company's financial position as at 31 December 2019 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*. As auditor of Diversified United Investment Limited, *ASRE 2410* requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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.

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



Chris Sargent

Partner

Melbourne

13 February 2020