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DIVERSIFIED UNITED INVESTMENT LIMITED

ABN 33 006 713 177

APPENDIX 4D STATEMENT
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

CONTENTS

- Results for announcement to the market
- Letter to Australian Securities Exchange
- Financial Statements
- Independent Audit Report

Authorised for release by the Board of Directors

RESULTS FOR ANNOUNCEMENT TO THE MARKET

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The reporting period is the **half year ended 31 December 2020** with the prior corresponding period being the half year ended 31 December 2019.

The Report is based on audit reviewed financial statements. A copy of the Auditor's Review Report can be found on page 16.

Results for announcement to the market

- Revenue from operating activities was $12.6 million, down 39.8% from the prior corresponding period.
- Total profit after tax and before net realised and unrealised gains and losses on the listed investment portfolio was $13.1 million, down 25.0% from the prior corresponding period. Net realised gains and losses on the listed investment portfolio are recorded in the Asset Realisation Reserve.
- Total profit after tax includes unrealised gains on unlisted managed fund investments of $3.8 million after tax (prior corresponding period: nil) and special dividends received of $88,000 after tax (prior corresponding period $650,000). Excluding these items profit after tax fell 45.3%*.
- Earnings per share based on total profit after tax were 6.2 cents (prior corresponding period 8.2 cents). Excluding unrealised gains on unlisted managed fund investments and special dividends received, earnings per share fell 45.6%* to 4.3 cents. The weighted average number of ordinary shares for the period rose 0.5% to 212,224,731, 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 17 March 2021. The record date for determining entitlement to the interim dividend is 24 February 2021.
- 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 2021 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 2021.
- The net tangible asset backing per share based on the market valuation of investments was $4.81 at 31 December 2020, compared to $5.01 at the end of the prior corresponding period, a decrease of 4.0%. 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

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101 COLLINS STREET
MELBOURNE VIC 3000
AUSTRALIA

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16 February 2021

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 2020

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 2020 was $13,073,000 (prior corresponding period: $17,427,000) a decrease of 25.0%. The profit includes unrealised gains on unlisted managed fund investments of $3,801,000 after tax (prior corresponding period: nil) and special dividends of $88,000 after tax (prior corresponding period: $650,000). Excluding unrealised gains on unlisted managed fund investments and special dividends, profit after tax fell by 45.3%*.

The economic impact of COVID-19 continued to affect many businesses throughout the half year and many of our investee companies reduced or suspended their dividends. Banks were particularly affected, as were the property and infrastructure sectors.

The profit for the half year excludes net realised gains and losses on listed investments which are transferred directly to the Asset Realisation Reserve. The net realised losses on the listed investment portfolio after tax for the half year were $9,013,000 (prior corresponding period net losses: $1,763,000).

Operating expenses (excluding interest) were slightly lower for the half year compared to the first half of the previous year, but due to the fall in the market value of the portfolio were 0.07% 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 0.09% (prior corresponding period: 0.08%).

Earnings Per Share

Earnings per share excluding unrealised gains on unlisted managed fund investments and special dividends received fell 45.6% to 4.3* cents per share. In assessing the company's capacity to pay dividends, the Board focuses on this Earnings per Share figure in addition to the Company's retained reserves and the future outlook.

The weighted average number of ordinary shares for the period was 212,224,731 (prior corresponding period: 211,272,654) taking into account the shares issued in the dividend re-investment plan.

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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 2021, to be paid on 17 March 2021. The comparable 2020 interim dividend was 7.0 cents per share fully franked.

The directors have decided to maintain the interim dividend even though it is not fully covered by earnings in the half-year. The Company has adequate accumulated retained earnings to draw on and sufficient franking credits to fully frank the dividend.

The Company will continue to monitor earnings results and the outlook for its investee companies when determining future dividend payments. The company's accumulated Franking Credits have been falling due to unfranked dividends received from some of the Australian investments and due to the increase in proportion of the portfolio held in international investments.

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 2021 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 2021.

Asset Backing

The net tangible asset backing per share based on the market valuation of investments was $4.81 at 31 December 2020 and $4.79 at 31 January 2021. 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 $4.04 at 31 December 2020 and $4.02 at 31 January 2021.

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 2020 was a rise of 10.2% while the S&P/ASX 200 accumulation index rose 13.2% 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 2020 was an increase of 10.7% compared to an increase of 13.7% in the S&P/ASX 200 Franking Credit Adjusted Total Return Index.

Portfolio

The Company made net investments during the half year of around $41M financed by reducing our funds held in cash and short term receivables by around $26M and increasing borrowings by $15M.

At 31 December bank facilities were $115M, drawn as to $87.5M, and cash and short-term receivables were $5M. 18.8% of the portfolio was invested in international equities through Exchange Traded Index Funds and four unlisted managed funds.

Outlook

The outlook is favourably influenced by the expected success of the rollout of vaccines to address the COVID-19 disease and improving economic outlook based on low interest rates, high liquidity in the system and large Government expenditure. However, we have a buoyant share market reflected by high valuations based on historical criteria, a large number of new public offerings, high retail participation in the market, and a focus on growth and speculative shares.

We find it hard to assess the outlook for the market and expect it to fluctuate around current levels.

We are fully invested and our portfolio should move broadly with the market while noting that the portfolio is overweight CSL (which if reduced would involve a large tax payment) and with 19% of the portfolio in international investments, the company's performance is adversely affected by a rising Australian dollar.

Continued over…

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Investment Portfolio

As at 31 December 2020 the twenty-five largest shareholdings of the company, at market values were:

Australian Equities	***Market Value $'000***	***Market Value of Total Investments***
CSL Ltd	159,997	14.4%
Commonwealth Bank of Australia Ltd	82,110	7.4%
Transurban Group	75,130	6.8%
BHP Billiton Ltd	57,280	5.2%
Rio Tinto Ltd	53,500	4.8%
Australia & New Zealand Banking Group Ltd	45,400	4.1%
Westpac Banking Corporation	34,924	3.1%
Atlas Arteria Ltd Ordinary Stapled Sec	32,500	2.9%
Washington H Soul Pattinson & Company Ltd	30,090	2.7%
Sydney Airport Group	28,525	2.6%
Woodside Petroleum Ltd	27,970	2.5%
Wesfarmers Ltd	22,176	2.0%
Aristocrat Leisure Ltd	21,700	2.0%
Woolworths Ltd	19,655	1.8%
Sonic Healthcare Ltd	16,075	1.4%
Ramsay Health Care Ltd	15,856	1.4%
Stockland Units	15,675	1.4%
Computershare Ltd	14,590	1.3%
Resmed Inc	13,615	1.2%
Total Australian Equities in Top 25:	766,768	69.0%
International Equities		
Vanguard US Total Market	39,625	3.6%
Vanguard All World Ex- US	38,549	3.5%
Vanguard Information Tech ETF	33,984	3.1%
iShares TR MSCI USA Min Vol ETF	24,738	2.2%
Northcape Capital Global Emerging Market Fund	23,887	2.1%
iShares Global Healthcare ETF	14,623	1.3%
Total International Equities in Top 25:	175,406	15.8%
Total Top 25 Australian & International Equities	942,174	84.8%
Total Investments at Market Value, Net Short Term Receivables and Cash	1,111,429	

Yours faithfully,

A J Hancock
Company Secretary

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DIVERSIFIED UNITED INVESTMENT LIMITED
(ABN 33 006 713 177)

INTERIM FINANCIAL REPORT
FOR THE SIX MONTHS ENDED 31 DECEMBER 2020

DIVERSIFIED UNITED INVESTMENT LIMITED

Directory

Directors

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

Company Secretaries

Andrew J Hancock FCA
James A Pollard CA

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

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DIVERSIFIED UNITED INVESTMENT LIMITED

Interim Financial Report
for the six months ended 31 December 2020

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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 2020 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 2020 was $13,073,000 (prior corresponding period: $17,427,000). Profit after income tax includes unrealised gains on unlisted managed fund investments of $3,801,000 after tax (prior corresponding period: nil) and special dividends of $88,000 after tax (prior corresponding period: $650,000).

Revenue from the investment portfolio excluding the unrealised gains fell 39.8% due to the economic impacts of the COVID-19 pandemic.

Earnings per share based on profit after tax was 6.2 cents, prior corresponding period 8.2 cents. Excluding unrealised gains on unlisted managed fund investments and special dividends received, earnings per share decreased 45.6% to 4.3 cents per share.

Operating expenses (excluding finance expenses) were 0.07% 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 6 and forms part of the Directors' Report for the half-year ended 31 December 2020.

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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 16th day of February 2021.

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

Charles Goode
Director

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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 2020 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
16 February 2021

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DIVERSIFIED UNITED INVESTMENT LIMITED

Statement of Profit or Loss and Other Comprehensive Income
for the six months ended 31 December 2020

	Note	31 December 2020 $'000	31 December 2019 $'000
Revenue from investment portfolio		12,555	20,865
Net unrealised gains on unlisted managed fund investments		5,429	-
Administration and other expenses		(693)	(702)
Finance expenses		(1,259)	(1,429)
Profit before income tax		16,032	18,734
Income tax expense	8	(2,959)	(1,307)
Profit after income tax		13,073	17,427
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Revaluation of investment portfolio		80,472	42,205
Provision for tax expense on revaluation of investment portfolio		(24,191)	(13,447)
Other Comprehensive Income net of income tax		56,281	28,758
Total Comprehensive Income		69,354	46,185
Basic and diluted earnings per share (cents)	4	6.2	8.2

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 14.

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DIVERSIFIED UNITED INVESTMENT LIMITED

Balance Sheet

as at 31 December 2020

	Note	31 December 2020 $'000	30 June 2020 $'000
Assets			
Cash assets		3,487	33,092
Receivables		1,985	5,019
Other		59	87
Total Current Assets		5,531	38,198
Investment portfolio	7	1,105,958	979,149
Total Non-Current Assets		1,105,958	979,149
Total Assets		1,111,489	1,017,347
Liabilities			
Payables		503	499
Current tax payable		557	905
Borrowings – interest bearing	10	35,000	-
Total Current Liabilities		36,060	1,404
Borrowings – interest bearing	10	52,500	72,500
Deferred tax liability	9	164,921	139,193
Total Non-Current Liabilities		217,421	211,693
Total Liabilities		253,481	213,097
Net Assets		858,008	804,250
Equity			
Issued capital	6	440,128	437,714
Reserves		417,880	366,536
Total Equity		858,008	804,250

The Balance Sheet is to be read in conjunction with the Notes to the Financial Statements set out on pages 11 to 14.

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DIVERSIFIED UNITED INVESTMENT LIMITED

Statement of Changes in Equity
for the six months ended 31 December 2020

	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/(expense) on net realised gains/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

	Issued Capital $'000	Revaluation Reserve $'000	Realisation Reserve $'000	Retained Earnings $'000	Total Equity $'000
As at 1 July 2020	437,714	303,750	(7,455)	70,241	804,250
Comprehensive Income					
Revaluation of investment portfolio	-	80,472	-	-	80,472
Tax on revaluation	-	(24,191)	-	-	(24,191)
Net realised losses on investment portfolio	-	12,168	(12,168)	-	-
Tax benefit/(expense) on net realised gains/losses	-	(3,155)	3,155	-	-
Profit	-	-	-	13,073	13,073
	-	65,294	(9,013)	13,073	69,354
Transactions with shareholders					
Dividend reinvestment plan	2,414	-	-	-	2,414
Dividends	-	-	-	(18,010)	(18,010)
	2,414	-	-	(18,010)	(15,596)
As at 31 December 2020	440,128	369,044	(16,468)	65,304	858,008

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 14.

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DIVERSIFIED UNITED INVESTMENT LIMITED

Statement of Cash Flows

for the six months ended 31 December 2020

	31 December 2020 $'000	31 December 2019 $'000
Cash flows from operating activities		
Interest received	106	235
Dividends and trust distributions received	11,109	21,022
Foreign income	4,038	2,296
Option premium income received	63	110
Administration and other expenses paid	(503)	(609)
Finance costs paid	(1,364)	(1,522)
Income taxes paid	(1,498)	(1,001)
Net cash flow from operating activities	11,951	20,531
Cash flows from investing activities		
Proceeds from sale of investments	35,756	14,813
Purchases of investments	(76,716)	(38,401)
Net cash flow from investing activities	(40,960)	(23,588)
Cash flows from financing activities		
Dividends paid net of dividend reinvestment plan	(15,596)	(15,567)
Proceeds from borrowings	15,000	-
Repayments of borrowings	-	(22,500)
Net cash flow used in financing activities	(596)	(38,067)
Net (decrease)/increase in cash held	(29,605)	(41,124)
Cash and cash equivalents at 1 July	33,092	73,392
Cash and cash equivalents at 31 December	3,487	32,268

The Statement of Cash Flows is to be read in conjunction with the Notes to the Financial Statements set out on pages 11 to 14.

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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 2020 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 2020.

This interim financial report was approved by the Board of Directors on 16 February 2021.

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

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 2020.

4. Earnings per share

	31 December 2020 Cents	31 December 2019 Cents
Basic and diluted earnings per share	6.2	8.2
Basic and diluted earnings per share excluding special dividends and unrealised gain on unlisted managed fund investments	4.3	7.9

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

Unrealised gains on unlisted managed fund investments after tax included in earnings were $3.8 million after tax for the half year ended 31 December 2020 (prior corresponding period: nil).

Special dividends of $88,000 after tax were received for the half year ended 31 December 2020 (prior corresponding period: $650,000).

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4. Earnings per share (Cont.)

The earnings per share for the half-year are calculated on a weighted average adjusted number of ordinary shares of 212,224,731 (prior corresponding period: 211,272,654) taking into account the shares issued in the dividend re-investment plan.

5. Dividends

	31 December 2020 $'000	31 December 2019 $'000
Dividends recognised in the current period by the Company are:		
Final fully franked dividend of 8.5 cents per share paid on 17 September 2020 (previous corresponding period: 8.5 cents)	18,010	17,932
Subsequent to reporting date:		
Since 31 December 2020, the directors have declared the following dividend payable on 17 March 2021:		
Interim dividend of 7.0 cents per share fully franked (previous corresponding period: 7.0 cents)	14,873	14,805
The financial effect of this dividend has not been brought to account in the financial statements for the period ended 31 December 2020.		

6. Issued Capital

	31 December 2020 $'000	30 June 2020 $'000
212,468,672 ordinary fully paid shares (30 June 2020: 211,893,222)	440,128	437,714
Movements in issued capital		
Balance at beginning of period	437,714	433,372
Shares Issued		
Dividend re-investment plan (i)	2,414	4,342
	440,128	437,714

(i) In respect of the 2020 final dividend paid on 17 September 2020, 575,450 shares were issued at $4.2038 each under the dividend re-investment plan.

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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 $1,067,251,000 (2020: $1,068,939,000).

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 $38,707,000 (2020: $28,125,000).

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

8. Taxation

	31 December 2020 $'000	31 December 2019 $'000
Income Tax and Other Adjustments		
Prior year (under) / over provision on deferred tax	(390)	-
Deferred tax adjustments	(1,536)	57
Current income tax expense	(1,033)	(1,364)
Tax expense attributable to profit	(2,959)	(1,307)

9. Deferred Tax Assets and Liabilities

	31 December 2020 $'000	30 June 2020 $'000
Revaluation reserve – Provision for tax on net unrealised gains on the equity investment portfolio	166,298	138,952
Other	1,778	241
Tax benefit of capital losses carried forward	(3,155)	-
Net deferred tax liabilities	164,921	139,193

10. Borrowings

	31 December 2020 $'000	30 June 2020 $'000
Current	35,000	-
Non-Current	52,500	72,500
Loan Facilities - Secured	87,500	72,500

The total face value of the drawn facilities at period end was $87.5 million (30 June 2020: $72.5 million).

At 31 December 2020 the market value of investments secured against the loan facility was $345 million (30 June 2020: $343 million).

11. Segment Reporting

The Company operates as an investment company in Australia. Approximately 18.8% 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 2020.

13. Related Parties

All arrangements with related parties are consistent with those disclosed in the 30 June 2020 annual financial report.

14. Events Subsequent to Balance Date

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.

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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 14, 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 2020 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 16th day of February 2021.

Signed in accordance with a resolution of the Directors.

Charles Goode
Director

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Independent Auditor's Review Report

To the members of Diversified United Investment Limited

Report on the Interim Financial Report

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 2020 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:

- Balance sheet as at 31 December 2020
- 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 14 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 2020.

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 the Code.

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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 2020 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

16 February 2021