



# HALF YEAR REPORT 31 DECEMBER 2017

Investors Central Limited

ACN 143 097 385



# Investors Central Limited ABN 34 143 097 385

## Half Year Report - 31 December 2017

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2017 and any public announcements made by Investors Central Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

These interim financial statements are the consolidated interim financial statements of the consolidated entity consisting of Investors Central Limited and its subsidiaries. The interim financial statements are presented in the Australian currency.

Investors Central Limited is a company limited by shares, incorporated and domiciled in Australia.

Its registered office is:  
Investors Central Limited  
C/- Carey Accountants  
141 Sturt Street,  
Townsville, Queensland, 4810.

Its principal place of business is:  
Investors Central Limited  
Unit 2D & 2C  
125 Dalrymple Road,  
Garbutt, Queensland, 4812.

## Directors' report

Your directors present their report on the consolidated entity (referred to hereafter as the Group) consisting of Investors Central Limited and the entities it controlled at the end of, or during, the half-year 31 December 2017.

### Directors

The following persons held office as directors of Investors Central Limited during the financial period:

#### *Executive Directors*

Jamie Edward McGeachie (appointed 13 April 2010)  
Jason William Ryan (appointed 18 December 2012)  
Quinton Cowen (appointed 18 December 2012)  
Stephen Paul Jones (appointed 18 December 2012)

#### *Non-Executive Director*

Andrew Peter Kemp (appointed 22 August 2014)

### Principal activities

During the period the principal continuing activities of the Group consisted of:

- (a) public capital raising to fund the continued expansion of our automotive lending business, Fin One Pty Ltd trading as Finance One, and
- (b) provision of consumer motor vehicles, caravans, commercial vehicles and mobile plant and equipment loans by Finance One.

There was no significant change in the nature of the activity of the Group during the period.

### Review of operations

The profit from ordinary activities after income tax amounted to \$2,029,252 (2016: \$1,294,752).

### Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the Group during the period.

### Matters subsequent to the end of the financial period

No matter or circumstance has arisen since 31 December 2017 that has significantly affected the Group's operations, results or state of affairs, or may do so in future years.

### Likely developments and expected results of operations

Information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

### Remuneration report

The directors present the Investors Central Limited 31 December 2017 half-year remuneration report, outlining key aspects of our remuneration policy and framework, and remuneration awarded this period.

**Remuneration report (continued)**

**(a) Policy for determining the nature and amount of key management personnel remuneration**

Remuneration levels are competitively set to attract and retain appropriately qualified and experienced Directors and Senior Management. The Remuneration Committee recommends the cash incentive to be paid to the individuals for approval by the Board. The Board assesses the appropriateness of remuneration packages, given trends in comparative companies. Remuneration packages comprise fixed remuneration and may include bonuses or equity based remuneration entirely at the discretion of the Board based on the performance of the individual. At the date of this report the Consolidated Entity had entered into performance based agreements with Directors or Senior Management which included short-term incentives (STI) and long-term incentives (LTI). Both the short-term incentive (STI) and long-term incentive (LTI) are an 'at risk' bonus provided in the form of cash. Both the STI and LTI together equate to a maximum of 25% of KMP base yearly salary (excludes super & leave accruals). No options were issued to Directors or senior executives during the financial period in respect of remuneration.

**Short-term incentive bonus**

The financial performance objectives are growth in 'net profit before tax' compared to the previous budget year and is paid on a quarterly basis in arrears. The yearly STI accounts for 60% of the total performance linked bonus available in each year.

**Long -term incentive bonus**

This incentive scheme is payable based on achieving key ratios for both Gross Revenue and EBIT over an average Net Loan Book position. The LTI accounts for 40% of the total performance linked remuneration available in each year and is split into two equal segments called LTI- Short and LTI-Long.

Fifty per cent of any benefit earned is payable each year (LTI-Short), with the remainder (LTI-Long) being accrued and payable at the end of a four-year period. This method of assessment was chosen as it aligns the Group's objectives in maintaining a strong return on assets after providing for doubtful debts and keeps operating costs in line with the Company's growth.

**(b) Details of remuneration**

The following tables show details of the remuneration received by the directors and the key management personnel of the Group for the current and previous financial period.

31 December 2017	Short-term employee benefits			Post-employment benefits	Long-term benefits	Total
	Cash salary and fees	Cash bonus	Non-monetary benefits	Super-annuation	Annual and long service leave	
Name	\$	\$	\$	\$	\$	\$
Managing Director - Jamie McGeachie*^	119,560	-	3,555	-	-	123,115
Manager - Jason Ryan **	84,177	43,500	-	12,492	3,014	143,183
Manager - Quinnton Cowen*	82,648	5,063	-	7,653	2,918	98,282
Manager - Stephen Jones	46,325	3,739	-	5,282	1,603	56,949
Non-Exec.Director – Andrew Kemp ^	22,715	-	-	-	-	22,715
<b>Total key management personnel compensation</b>	<b>355,425</b>	<b>52,302</b>	<b>3,555</b>	<b>25,427</b>	<b>7,535</b>	<b>444,244</b>

**Remuneration report (continued)**

**(b) Details of remuneration (continued)**

Name	Short-term employee benefits			Post-em ployment benefits	Long- term benefits	Total
	Cash salary and fees	Cash bonus	Non- monetary benefits	Super- annuation	Annual and long service leave	
	\$	\$	\$	\$	\$	
Managing Director - Jamie McGeachie*^	95,060	-	1,902	-	-	96,962
Manager - Jason Ryan **	83,152	-	-	7,790	1,252	92,194
Manager - Quinnton Cowen*	69,458	-	-	6,650	-	76,108
Manager - Stephen Jones	44,172	-	-	4,196	-	48,368
Non-Exec.Director – Andrew Kemp ^	22,715	-	-	-	-	22,715
<b>Total key management personnel compensation</b>	<b>314,557</b>	<b>-</b>	<b>1,902</b>	<b>18,636</b>	<b>1,252</b>	<b>336,347</b>

\* Key management personnel are remunerated by McGeachie Group Pty Ltd a related entity of director Jamie McGeachie.

\*\* Cash bonus includes a one off special bonus cash payment plus the STI bonus for the period.

^ Amounts inclusive of GST

**(c) Director's shareholding**

(i) *Ordinary shares*

The following table sets out the director's relevant interest in shares of the Company or a related body corporate as at the date of this report. There have been no changes since the prior year.

	<b>31 December 2017</b>	30 June 2017
	\$	\$
Managing Director - Jamie McGeachie	<b>2,527,367</b>	2,527,367

(ii) *Redeemable preference shares*

Details of redeemable preference shares held directly, indirectly or beneficially by key management personnel are as follows:

	<b>31 December 2017</b>	30 June 2017
	\$	\$
Managing Director - Jamie McGeachie	<b>3,556,000</b>	2,950,000
Manager - Jason Ryan	<b>600,000</b>	600,000
Manager - Quinnton Cowen	<b>300,000</b>	247,000
Manager - Stephen Jones	<b>150,000</b>	50,000
Non-Executive Director - Andrew Kemp	<b>1,026,000</b>	1,016,000
	<b>5,632,000</b>	4,863,000

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5.

**Rounding of amounts**

The Group is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the directors' report. Amounts in the directors' report have been rounded off in accordance with the instrument to the nearest dollar.

**Auditor**

Jessups Accountants and Business Advisors continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 306(3) (a) of the Corporations Act 2001.

On behalf of the directors



Jamie Edward McGeachie  
Director



Quinnton Cowen  
Director

Townsville  
27<sup>th</sup> February 2018

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE  
DIRECTORS OF INVESTORS CENTRAL LIMITED AND CONTROLLED ENTITY**

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2017 there have been no contraventions of:

- i. The auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. any applicable code of professional conduct in relation to the audit.

Jessups



Rodger Dunstan  
Director

Dated 27 February 2018

1/19 Stanley Street  
Townsville QLD 4810

**Investors Central Limited**  
**Condensed consolidated statement of profit or loss and other comprehensive income**  
**For the half-year 31 December 2017**

	Notes	31 December 2017 \$	* Restated 31 December 2016 \$
Interest income	3	11,644,046	7,421,691
Fee income		3,960,044	2,900,920
Other income		30,215	11,191
<b>Revenue from continuing operations</b>		<b>15,634,305</b>	10,333,802
Interest expense		<b>(6,913,785)</b>	(4,752,092)
Doubtful and bad debts expense		<b>(1,832,814)</b>	(985,092)
Employee benefits expense		<b>(1,715,573)</b>	(1,074,733)
Loan establishment fees		<b>(798,579)</b>	(452,714)
Management fees		<b>(475,984)</b>	(415,208)
Advertising expenses		<b>(287,373)</b>	(163,168)
Consultancy fees		<b>(150,116)</b>	(130,102)
Depreciation and amortisation expense		<b>(59,977)</b>	(64,138)
Accountancy fees		<b>(28,917)</b>	(28,930)
Other expenses		<b>(465,590)</b>	(414,201)
<b>Profit before income tax</b>		<b>2,905,597</b>	1,853,424
Income tax expense		<b>(876,345)</b>	(558,672)
<b>Profit for the period</b>		<b>2,029,252</b>	1,294,752
<b>Other comprehensive income for the period, net of tax</b>		<b>-</b>	-
<b>Total comprehensive income for the period</b>		<b>2,029,252</b>	1,294,752
Profit is attributable to:			
Owners of Investors Central Limited		<b>2,029,252</b>	1,294,752
Total comprehensive income for the period is attributable to:			
Owners of Investors Central Limited		<b>2,029,252</b>	1,294,752

\* See note 2 for details regarding the restatement as a result of an error.

*The above condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.*



**Investors Central Limited**  
**Condensed consolidated balance sheet**  
**As at 31 December 2017**

	Notes	31 December 2017 \$	* Restated 30 June 2017 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		17,061,382	15,541,042
Loans and other receivables	4	28,852,774	22,865,799
Other current assets		66,531	35,277
<b>Total current assets</b>		<u>45,980,687</u>	<u>38,442,118</u>
<b>Non-current assets</b>			
Loans and other receivables	4	74,520,522	63,480,386
Property, plant and equipment		332,455	283,485
Deferred tax assets		2,677,147	2,245,722
Intangible assets		138,753	157,205
<b>Total non-current assets</b>		<u>77,668,877</u>	<u>66,166,798</u>
<b>Total assets</b>		<u>123,649,564</u>	<u>104,608,916</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		1,420,671	1,857,620
Borrowings	5	9,779,889	8,015,892
Deferred revenue		4,455,954	3,994,911
Current tax liabilities		915,312	217,213
Provisions		111,542	100,422
<b>Total current liabilities</b>		<u>16,683,368</u>	<u>14,186,058</u>
<b>Non-current liabilities</b>			
Borrowings	5	95,854,173	81,350,156
Provisions		55,532	45,463
<b>Total non-current liabilities</b>		<u>95,909,705</u>	<u>81,395,619</u>
<b>Total liabilities</b>		<u>112,593,073</u>	<u>95,581,677</u>
<b>Net assets</b>		<u>11,056,491</u>	<u>9,027,239</u>
<b>EQUITY</b>			
Contributed equity		2,527,367	2,527,367
Other reserves		(1,420,082)	(1,420,082)
Retained earnings		9,949,206	7,919,954
<b>Total equity</b>		<u>11,056,491</u>	<u>9,027,239</u>

\* See note 2 for details regarding the restatement as a result of an error.

*The above condensed consolidated balance sheet should be read in conjunction with the accompanying notes.*

**Investors Central Limited**  
**Condensed consolidated statement of changes in equity**  
**For the half-year 31 December 2017**

	<b>Share capital</b>	<b>Business combination under common control</b>	<b>Retained earnings</b>	<b>Total equity</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2016</b>	2,527,367	(1,420,082)	4,950,757	6,058,042
Profit for the year	-	-	1,294,752	1,294,752
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>1,294,752</b>	<b>1,294,752</b>
<b>Balance at 31 December 2016</b>	<b>2,527,367</b>	<b>(1,420,082)</b>	<b>6,245,509</b>	<b>7,352,794</b>
<b>Balance at 1 July 2017</b>	2,527,367	(1,420,082)	7,919,954	9,027,239
Profit for the year	-	-	2,029,252	2,029,252
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>2,029,252</b>	<b>2,029,252</b>
<b>Balance at 31 December 2017</b>	<b>2,527,367</b>	<b>(1,420,082)</b>	<b>9,949,206</b>	<b>11,056,491</b>

*The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.*

**Investors Central Limited**  
**Condensed consolidated statement of cash flows**  
**For the half-year 31 December 2017**

	Notes	<b>31 December 2017</b>	31 December 2016
		\$	\$
<b>Cash flows from operating activities</b>			
Interest received		11,394,689	7,190,948
Interest paid		(6,686,258)	(4,545,428)
Receipts from customers (inclusive of goods and services tax)		3,214,107	2,335,719
Payments to suppliers and employees		(4,660,718)	(3,019,330)
		<u>3,261,820</u>	<u>1,961,909</u>
<b>(Increase)/decrease in operating assets:</b>			
New customer loans		(31,710,684)	(22,342,235)
Repayment of customer loans		14,967,999	10,800,545
		<u>(16,742,685)</u>	<u>(11,541,690)</u>
<b>Net cash (outflow) from operating activities before income tax</b>		<b>(13,480,865)</b>	<b>(9,579,781)</b>
Income tax paid		(1,172,663)	(647,870)
<b>Net cash (outflow) from operating activities</b>		<b>(14,653,528)</b>	<b>(10,227,651)</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment		(90,494)	(62,061)
Acquisition of intangible assets		-	(37,691)
<b>Net cash (outflow) from investing activities</b>		<b>(90,494)</b>	<b>(99,752)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issues of preference shares		17,064,036	14,427,611
Payment for transaction costs related to share issue		(39,674)	(73,626)
Payments to preference share holders		(760,000)	(948,999)
<b>Net cash inflow from financing activities</b>		<b>16,264,362</b>	<b>13,404,986</b>
<b>Net increase in cash and cash equivalents</b>		<b>1,520,340</b>	<b>3,077,583</b>
Cash and cash equivalents at the beginning of the financial year		15,541,042	8,525,224
<b>Cash and cash equivalents at end of period</b>		<b>17,061,382</b>	<b>11,602,807</b>

*The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.*

## 1 Basis of preparation of half-year report

These condensed consolidated interim report for the half-year reporting period ended 31 December 2017 have been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

These condensed consolidated interim report do not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2017 and any public announcements made by Investors Central Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The historical cost basis has been used.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

### (a) Segment reporting

The consolidated entity operates in one business and geographical segment, being a used automotive lending business in Australia.

## 2 Correction of error

During the December half year 2017 period it was found that there was a discrepancy in the accrued interest on several loan types. The accumulated value of the discrepancy breached our accounting materiality threshold. Consequently, the interest accrual in 2016 and 2017 financial years was understated.

The error has been corrected by restating each of the affected interim financial statements line items for the prior periods as follows:

	30 June 2017 \$	Increase/ (Decrease) \$	30 June 2017 (Restated) \$
<b>Condensed consolidated balance sheet (extract)</b>			
Loans and other receivables	22,141,755	724,044	22,865,799
Current tax (payable)	-	(217,213)	(217,213)
<b>Net assets</b>	<b>8,520,408</b>	<b>506,831</b>	<b>9,027,239</b>
Retained earnings	7,413,123	506,831	7,919,954
<b>Total equity</b>	<b>8,520,408</b>	<b>506,831</b>	<b>9,027,239</b>

## 2 Correction of error (continued)

	31 December 2016 \$	Profit Increase/ (Decrease) \$	31 December 2016 (Restated) \$
<b>Consolidated statement of profit or loss and other comprehensive income (extract)</b>			
Interest income	7,212,384	209,307	7,421,691
<b>Profit before income tax</b>	<b>1,644,116</b>	<b>209,307</b>	<b>1,853,423</b>
Income tax expense	(495,880)	(62,792)	(558,672)
<b>Profit for the period</b>	<b>1,148,236</b>	<b>146,515</b>	<b>1,294,751</b>

## 3 Interest income

	31 December 2017 \$	31 December 2016 \$
<b>From continuing operations</b>		
Cash and cash equivalent interest income	111,542	53,592
Loans and advances to customers interest income	11,532,504	7,368,099
	<b>11,644,046</b>	<b>7,421,691</b>

## 4 Loans and other receivables

	31 December 2017			30 June 2017		
	Current \$	Non- current \$	Total \$	Current \$	Non- current \$	Total \$
Loans receivable	29,849,348	76,824,029	106,673,377	23,623,071	65,316,107	88,939,178
Provision for impairment	(1,957,903)	(2,303,507)	(4,261,410)	(1,482,900)	(1,835,721)	(3,318,621)
	<b>27,891,445</b>	<b>74,520,522</b>	<b>102,411,967</b>	22,140,171	63,480,386	85,620,557
Other receivables	3,875	-	3,875	1,584	-	1,584
Accrued interest	957,454	-	957,454	724,044	-	724,044
	<b>28,852,774</b>	<b>74,520,522</b>	<b>103,373,296</b>	22,865,799	63,480,386	86,346,185

#### 4 Loans and other receivables (continued)

##### (a) Contractual maturity analysis

	<b>31 December 2017</b>	30 June 2017
	\$	\$
Not longer than 3 months	<b>7,924,884</b>	6,094,752
Longer than 3 months and not longer than 1 year	<b>21,924,464</b>	17,528,319
Longer than 1 year but not longer than 5 years	<b>74,248,930</b>	63,621,784
Longer than 5 years	<b>2,575,099</b>	1,694,323
	<b>106,673,377</b>	88,939,178

##### (b) Impaired trade receivables

Movements in the provision for impairment of receivables are as follows:

	<b>31 December 2017</b>	30 June 2017
	\$	\$
At 1 July	<b>3,318,621</b>	1,970,510
Provision for impairment recognised during the year	<b>942,789</b>	1,348,111
At period end	<b>4,261,410</b>	3,318,621

Bad debts written off & recognised directly in profit or loss for Dec 2017 were \$890,025 (Jun 2017: \$1,228,367).

##### (c) Past due but not impaired

	<b>31 December 2017</b>		30 June 2017	
	<b>Carrying amount</b>	<b>Past Due</b>	Carrying amount	Past Due
	\$	\$	\$	\$
30 to 90 days	<b>6,300,246</b>	<b>607,129</b>	6,345,908	623,328
90 to 180 days	<b>3,111,180</b>	<b>721,189</b>	2,571,596	603,983
> 180 days	<b>1,637,610</b>	<b>1,023,730</b>	1,657,230	1,010,125
	<b>11,049,036</b>	<b>2,352,048</b>	10,574,734	2,237,436

##### (d) Credit quality - security held against loans

	<b>31 December 2017</b>	30 June 2017
	\$	\$
Secured by mortgage over motor vehicle	<b>106,673,377</b>	88,939,178
Value of collateral held at fair value	<b>74,307,149</b>	60,954,001

The value of collateral held was determined by reference to the wholesale value of motor vehicles held as collateral at date of loan origination reduced by 22.5% for each year since loan origination. From 1 July 2013 the reduction rate of collateral held was increased to 32.5%.

#### 4 Loans and other receivables (continued)

##### (d) Credit quality - security held against loans (continued)

The Group may not have sufficient security over the borrower's assets to recover the full amount of the loan and/or interest repayments payable to it under the loan. In most cases, borrowers will provide their motor vehicle as security for their loan. If a borrower fails to make their loan repayments, the Group may be forced to take possession of the motor vehicle. Normally, the Group would seek to immediately sell the vehicle via wholesale second hand motor vehicle markets. Often motor vehicles are sold via wholesale second hand markets at significantly less than the price at which they are sold by car dealers. In addition, motor vehicles are depreciating assets, and therefore, the value of motor vehicles will also erode over time. Accordingly, if the Group is forced to take possession of the motor vehicle and sell it on wholesale motor vehicle markets, the Group may receive less for the vehicle than the amount owing under the loan.

#### 5 Borrowings

	31 December 2017			30 June 2017		
	Current \$	Non-current \$	Total \$	Current \$	Non-current \$	Total \$
<b>Unsecured</b>						
Redeemable preference shares	9,779,889	96,113,347	105,893,236	8,015,892	81,573,308	89,589,200
Costs related to share issue	-	(259,174)	(259,174)	-	(223,152)	(223,152)
Total unsecured borrowings	<u>9,779,889</u>	<u>95,854,173</u>	<u>105,634,062</u>	<u>8,015,892</u>	<u>81,350,156</u>	<u>89,366,048</u>

##### (a) Contractual maturity analysis

	Not longer than 1 year \$	Between 1 & 2 years \$	Between 2 & 3 years \$	Between 3 & 4 years \$	Between 4 & 5 years \$	Total contractual cash flows \$	Carrying amount \$
<b>At 31 December 2017</b>							
<b>Non-derivatives</b>							
Redeemable preference shares	23,974,031	27,604,016	45,063,030	37,673,009	13,853,909	148,167,995	105,893,236
<b>At 30 June 2017</b>							
Redeemable preference shares	8,649,086	9,789,227	38,160,325	33,607,221	36,532,897	126,738,756	89,589,200

## 5 Borrowings (continued)

### (b) Redeemable preference shares

Redeemable preference shares have been issued with fixed terms of 12 - 60 months and interest paid between 7.20% and 16.00% p.a. dependent on the fixed investment term and the principal investment amount.

Preference shareholders have the right to receive notice of and to attend any meeting of Shareholders but will only be entitled to vote in the following circumstances:

- (a) On a proposal which affects the rights attached to Preference Shares, to reduce the share capital of the Company, to wind up the Company or for the disposal of the whole of the property, business and undertaking of the Company;
- (b) On a resolution to approve the terms of a buy-back agreement;
- (c) During a period in which money owing on preference shares is in arrears; or
- (d) During the winding up of the Company.

## 6 Contingencies

The Group had no contingent liabilities at 31 December 2017 (30 June 2017: nil).

## 7 Related party transactions

### (a) Transactions with other related parties

In addition to the disclosures in the remuneration report included in the Directors report, the following transactions occurred with related parties:

	<b>31 December 2017</b>	31 December 2016
	\$	\$
McGeachie Group Pty Ltd, a company associated with Jamie McGeachie a director of the company, provided corporate services, administration, accounting, rent and business operation support services.	<b>295,780</b>	259,553

## 8 Events occurring after the reporting period

No matter or circumstance has occurred subsequent to period end that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group or economic entity in subsequent financial periods.



In the directors' opinion:

- (a) the interim financial statements and notes set out on pages 6 to 14 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
  - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the half-year on that date, and
- (b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of directors.



Jamie Edward McGeachie  
Director



Quinnton Cowen  
Director

Townsville  
27<sup>th</sup> February 2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
INVESTORS CENTRAL LIMITED AND CONTROLLED ENTITIES

Report on the Financial Report

**Opinion**

We have audited the accompanying financial report of Investors Central Limited (the Company) and its subsidiaries (the Group), which comprises the condensed consolidated interim statement of financial position as at 31 December 2017, the condensed consolidated interim statement of profit or loss and other comprehensive income, the condensed consolidated interim statement of changes in equity and condensed consolidated interim statement of cash flows for the half-year then ended, notes to the financial statements, including a summary of significant accounting policies and the directors' declaration.

In our opinion, the accompanying interim financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- i. Giving a true and fair view of the Group's financial position as at 31 December 2017 and of its financial performance for the half-year then ended; and
- ii. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

**Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Other information**

The directors are responsible for the other information. The other information comprises the information included in the Group's interim report for the half-year ended 31 December 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

**Townsville Office**  
Level 1  
19 Stanley St  
Townsville Q. 4810  
PO Box 1269  
Townsville Q. 4810

Telephone  
07 4755 3330

Facsimile  
07 4755 3320

[info@jessupsnq.com.au](mailto:info@jessupsnq.com.au)

[www.jessupsnq.com.au](http://www.jessupsnq.com.au)

**Other Office**  
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**Responsibilities of the Directors for the Financial Report**

The directors 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* and for such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the interim financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

**Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the interim financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the interim financial report is located at the Auditing and Assurance Standards Board website at <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

JESSUPS



Rodger Dunstan  
Director

Dated this 27th day of February 2018