ANNUAL REPORT JUNE 2023

Investors Central Limited

ACN 143 097 385 | ABN 34 143 097 385

INVESTORS CENTRAL

A SMART ROAD TO WEALTH

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Chairman and Managing Director's statement

The Directors have pleasure in presenting their report together with the consolidated financial statement of Investors Central Limited (Investors Central) and of the Group, being its controlled entities, for the financial year ended 30 June 2023.

Investors Central Limited is an Australian unlisted public company that raises funding by offering redeemable preference shares to fund its lending businesses, Finance One and its debt collection businesses, Strategic Collections and Commercial Credit Control. Finance One is a non-bank lender that writes consumer and commercial loans. The Company's business model has predominantly been based on servicing borrowers that fall outside traditional lenders' guidelines. Since its inception, 13 years ago, the Group has reported profits, growth in its loan book value and equity year on year.

Highlights of the financial year

As at 30 June 2023, the loan book grew to $422.1 million. Doubtful debts and write-offs were 15.6% of revenue, up from 12.5% as of 30 June 2022. Net profit after tax for the group increased 32% by $2.9 million to $11.8 million from $8.9 million in the prior financial year.

$98.8m	$16.8m	$11.8m	$45.6m	$422.1m
Earned income up 30%	**Net profit before tax up 31%**	**Net profit after tax up 33%**	**Total equity up 25%**	**Loan book increased up 37%**
[2022: $76.2m]	[2022: $12.8m]	[2022: $8.9m]	[2022: $36.5m]	[2022: $309.1m]

Future

The Group intends to continue with its growth trajectory and, to do so, is actively looking for opportunities to expand its range of lending products and its footprint in the finance and debt collection markets. At the same time, it is investing in technology to build and automate core lending and collection processes and focusing on data security to ensure information technology systems are robust and appropriate for the business.

The Group's debt collection businesses are steadily growing and in addition, we have purchased several debt ledgers. We are actively expanding our collections business to ensure the Group is adequately diversified.

Funding diversification

The Group's business model for raising funds will continue as in previous years to grow the redeemable preference share investor base using a Prospectus. Our first Prospectus was launched in July 2013, and we anticipate the issue of our 11th Prospectus shortly. The Group has also continued to diversify funding sources. This includes the issuance of both rated and un-rated asset-backed securities.

Economic outlook

We continue to monitor the general economic conditions that may impact our customers. Including unemployment, inflation, and interest rate changes. We will take steps to ensure the Group navigates these challenges in a way that supports customers and maintains investor confidence.

Jamie Edward McGeachie
Chairman and Managing Director

Directors' report

The Directors present their report on the consolidated entity (referred to hereafter as the Group) consisting of Investors Central Limited (referred to hereafter as the Company) and the entities it controlled at the end of, or during, the year ended 30 June 2023.

Directors

The following persons held office as Directors of the Company during the financial year:

- Jamie Edward McGeachie
- Darren Eric Cantor (appointed 30 June 2023)
- Stephen Paul Jones (resigned 30 June 2023)
- Quinnton Cowen
- Andrew Peter Kemp
- Joseph Michael McShanag

Principal activities

During the year, the principal continuing activities of the Group consisted of:

- public and private debt raising to fund the expansion of our predominately automotive lending businesses, Fin One Pty Ltd and Finance One Commercial Pty Ltd collectively trading as Finance One and our debt collection businesses, Strategic Collections Pty Ltd and Commercial Credit Control Pty Ltd;
- provision of a suite of consumer and commercial loans by Finance One; and
- debt purchasing and debt collection services by Strategic Collections Pty Ltd and its subsidiary Commercial Credit Control Pty Ltd.

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

Review of operations

A review of the group's operations is included in the Chairman and Managing Director's Statement on page 4.

Significant changes in the state of affairs

Except as mentioned in the Chairman and Managing Director's Statement, there have been no significant changes in the state of affairs of the Group during the year ended 30 June 2023.

Events since the end of the financial year

On 29 August 2023, the Group has notified the independent trust manager of the IC Trust 2021-1 exercising the call option. This in line with industry practice for securitised trusts with nominal outstanding gross loans. On 18 November 2023 the Group will pay out the remaining balance of the securitised notes and buy back the remaining gross loans of the Trust. The Trust will be closed upon the orderly realisation of the net assets.

During August 2023, the Group entered investments in short-term deposits to earn interest. These deposits are exposed to interest rate risk. Interest income earned on these balances can vary due to interest rate changes. These short-term deposits are held with different authorised deposit-taking institutions (ADI) that are rated Grade 1 to Grade 2, based on APRA's APS 112 *Capital Adequacy: Standardised Approach to Credit Risk* (*Attachment F, paragraph 8, Table 22*) which are broadly aligned to external short term credit rating agencies such as Standard & Poor's, Moody's and Fitch.

No other matter or circumstance has arisen since 30 June 2023 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

The Group will continue to pursue its operating and financial strategies to create shareholder value.
Further information is included in the Chairman and Managing Director's Statement.

Environmental regulation

The Group is not subject to any significant environmental regulation and is not aware of any breaches of any environmental regulations during the year.

Dividends

Dividends paid to ordinary shareholders during the financial year were as follows:

	2023 $'000	2022 $'000
2022 final dividend (2022: 2021 final dividend)	1,473	359
2023 interim dividend (2022: 2022 interim dividend)	1,249	741
Total dividends on ordinary shares	**2,722**	**1,100**

Dividends on ordinary shares are provided for in the consolidated financial statements once determined, accordingly, the final dividend when determined for the current financial year is provided for and paid in the following financial year.

Information on Directors

Jamie McGeachie | Chairman and Managing Director
Cert. IV in Financial Services (Appointed 13 April 2010)

Experience and expertise
Jamie has over 26 years' experience in the finance industry as the founder and Managing Director of the Group. In addition, he has a close involvement in several other family business.

Special responsibilities
- Chairman of Remuneration Committee
- Chairman of Credit Committee

Darren Eric Cantor | Director and Chief Executive Officer
Master of Business Administration and Master of Applied Finance (Appointed 30 June 2023)

Experience and expertise
Darren joined the Group as Chief Executive Officer in September 2022 and is responsible for the overall strategic direction of the Group, growth in profitability and corporate governance. Darren is an experienced leader in financial services holding senior positions across banking, non-bank lending and broker distribution. His experience covers collections, operations, sales and capital raising. Darren has held several director and board positions across his career

Special responsibilities
- Member of Credit Committee

Quinnton Cowen | Director and Chief Financial Officer
Bachelor of Business, CPA (Appointed 18 December 2012)

Experience and expertise
Quinn has over 18 years experience as an accountant working in both private industry and public accounting and prior to joining the Group acted as an external accountant and business advisor to the Group.

Stephen Jones | Executive Manager, Risk Audit & Governance
Senior Associate Australian and New Zealand Institute of Insurance and Finance (Appointed 18 December 2012, Resigned 30 June 2023)

Experience and expertise
Stephen had over 28 years involvement in the general insurance industry in both underwriting and claims roles while in recent times he served as a Director/Company Secretary with a local public company in Townsville for over six years.

Special Responsibilities
- Member of Audit & Risk Committee
- Member of Credit Committee

Joseph Michael McShanag | Non-Executive Director

Bachelor of Commerce, CA, MBA, F Fin (Appointed 01 July 2018)

Experience and expertise

Joseph is a Chartered Accountant and a professional investor. He has extensive public practice accounting and banking experience gained from a decade at National Australia Bank Limited.

Special responsibilities

- Member of Audit & Risk Committee

Andrew Peter Kemp | Non-Executive Director

Bachelor of Commerce, CA (Appointed 22 August 2014)

Experience and expertise

Andrew is a chartered accountant and a corporate adviser. His advisory business, Huntington Group, has structured 11 ASX listings and four debt issues, as well as advising clients on a wide range of investments and divestments, since it was formed in 1987. Andrew has been a non-executive director of a number of ASX-listed companies through his career.

Special responsibilities

- Chairman of Audit and Risk Committee
- Member of Remuneration Committee

Information on Company Secretary

Stephen Jones has held the role of Company Secretary of the Company since his appointment on 25 September 2013. He resigned on 30 June 2023 and Neesha Pierce was appointed as Company Secretary on 30 June 2023.

Neesha Pierce | Non-Executive Director and Company Secretary

Master of Laws; and Bachelor of Arts with majors in Psychology and Sociology

Experience and expertise

Neesha Pierce joined the Group as General Counsel in 2022. Neesha was also recently appointed as Company Secretary for each subsidiary. Neesha is responsible for providing legal and compliance advice and guidance to the Group. Neesha is an experienced board member, company secretary, lawyer and executive manager. Neesha holds a current practicing certificate with the Queensland Law Society and has over 20 years' experience in legal, risk and compliance roles, including over ten years in private legal practice specialising in commercial and financial litigation. She is also a Justice of the Peace (Qual).

Meetings of Directors

The numbers of meetings of the Group's board of Directors and of each board committee held during the year ended 30 June 2023, and the numbers of meetings attended by each Director were:

	Full meetings of Directors		Meetings of Committees			
			Audit and Risk		Remuneration	
	A	B	A	B	A	B
Jamie Edward McGeachie	11	12	**	**	1	1
Quinnton Cowen	12	12	**	**	**	**
Stephen Paul Jones	12	12	2	2	**	**
Andrew Peter Kemp	12	12	2	2	1	1
Joseph Michael McShanag	12	12	2	2	**	**
Darren Eric Cantor	-	-	-	-	-	-

A = Number of meetings attended
B = Number of meetings held during the time the director held office or was a member of the committee during the year
*** = Not a member of the relevant committee*

Remuneration Report

The Directors present the Investors Central Limited 2023 remuneration report, outlining key aspects of our remuneration policy and framework, and remuneration awarded this year.

(a) Policy for determining the nature and amount of Key Management Personnel (KMP) remuneration

Remuneration levels are competitively set to attract and retain appropriately qualified and experienced Directors and Senior Management. As part of its function, the 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 levels and trends in comparative companies. Remuneration packages comprise fixed remuneration and may include cash bonuses entirely at the discretion of the Board based on the performance of the individual.

Prior to 1 July 2022, the Group had entered into performance-based agreements with Executive 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 (excluding superannuation and 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 budget 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 provides incentive to maintain downward pressure on operating costs.

Effective 1 July 2022, the Group entered into performance-based agreements with Executive Directors or Senior Management which included short-term incentives (STI) and long-term incentives (LTI). Both the STI and LTI are an 'at risk' bonus provided in the form of cash. Other factors affecting the payment of any accrued bonuses are:

a. The return on equity is greater than 25% of shareholder equity at the beginning of each financial year.
b. Gearing does not exceed board approval levels; and
c. There have been no significant risk management issues.

Short-term incentive bonus
The STI is calculated as a percentage of the 'net profit after tax' and is paid quarterly in arrears.

Long-term incentive bonus
The LTI is split into two parts, LTI-Short (LTI-S) and LTI-Long (LTI-L). Both are calculated as a percentage of the year-on-year growth in 'net profit after tax'. The LTI-S is paid annually at the end of the financial year, with the LTI-L being accrued and payable at the end of a four-year period.

(b) Details of remuneration for Directors and Executive Officers

During the year there were no other Directors and Executive Offers who were employed by the company for whom disclosure is required. Details of Directors' appointment and resignation dates and Executive/Non-Executive status are disclosed at the beginning of this Director's report. Details of the remuneration are as follows:

2023	Short-term employee benefits			Post employment benefits	Long term benefits		
Name and positon	Cash salary and fees	Cash bonus	Non-monetary benefits	Super-annuation	Annual & long service leave	LTI	Total
	$	$	$	$	$	$	$
Executive Directors							
Managing Director | Jamie McGeachie*^	320,883	-	4,916	2,205	-	-	328,004
CEO | Darren Cantor (from 26 August 2022)	319,643	248,079	-	31,663	4,803	21,485	625,673
CFO | Quinnton Cowen*	222,844	62,188	-	27,151	6,828	6,338	325,349
Manager | Stephen Jones	82,533	26,750	-	11,515	4,207	-	125,005
Non-Executive Directors							
Andrew Kemp ^	60,958	-	-	4,253	-	-	65,211
Joseph McShanag	53,000	-	-	5,565	-	-	58,565
Company Secretary							
Neesha Pierce	201,514	-	-	20,835	3,180	-	225,529
Total key management personnel compensation	**1,261,375**	**337,017**	**4,916**	**103,187**	**19,018**	**27,823**	**1,753,336**

** Key management personnel are remunerated by McGeachie Group Pty Ltd a related entity of director Jamie McGeachie.*
^ Amounts inclusive of GST.

Remuneration Report (continued)

2022	Short-term employee benefits			Post employment benefits	Long term benefits		
Name and positon	Cash salary and fees	Cash bonus	Non-monetary benefits	Super-annuation	Annual & long service leave	LTI	Total
	$	$	$	$	$	$	$
Executive Directors							
Managing Director | Jamie McGeachie*^	324,822	-	8,911	-	-	-	333,733
CFO | Quinnton Cowen*	186,548	42,297	-	25,781	4,015	31,907	290,548
Manager | Stephen Jones	127,966	26,921	-	17,769	1,356	22,798	196,810
Non-Executive Directors							
Andrew Kemp ^	60,500	-	-	-	-	-	60,500
Joseph McShanag	50,000	-	-	5,000	-	-	55,000
Total key management personnel compensation	**749,836**	**69,218**	**8,911**	**48,550**	**5,371**	**54,705**	**936,591**

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

^ 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.

Director	Ordinary shares ($)
Jamie Edward McGeachie	2,527,367

(ii) Preference shares

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

Key management personnel	2023 ($)	2022 ($)
Managing Director | Jamie McGeachie #^	6,253,100	6,105,100
CEO | Darren Cantor #	250,000	-
CFO | Quinnton Cowen #	940,000	680,000
Manager | Stephen Jones #	661,000	413,000
Non-Executive Director | Joseph McShanag #^	5,680,500	5,333,000
Non-Executive Director | Andrew Kemp ^	1,245,000	1,495,000
Total	**15,029,600**	**14,026,100**

 # Redeemable preference shares held by key management personnel have been granted pursuant to the Employee Prospectus and are current as at 30 June 2023.

^ Redeemable preference shares held by key management personnel have been granted pursuant to the Company Prospectus.

Shares under option

There are no unissued ordinary shares of the Company under option at the date of this report.

Shares issued on the exercise of options

No ordinary shares of the Company were issued during the year ended 30 June 2023 and up to the date of this report on the exercise of options granted.

Insurance of officers and indemnities

(i) ***Insurance of officers***
During the financial year, the Group paid a premium to insure the Directors and executives of the Group. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

(ii) ***Indemnity of auditors***
The Group has not, during or since the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

Proceedings on behalf of the Group

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings to which the Group is a party, for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings.

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 14.

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 thousand dollars, or in certain cases, 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.

Jamie Edward McGeachie
Director

Quinnton Cowen
Director

Townsville
17 October 2023

JESSUPS

INDEPENDENCE DECLARATION

TO THE DIRECTORS OF INVESTORS CENTRAL LIMITED
FOR THE YEAR ENDED 30 JUNE 2023

We declare that, to the best of our knowledge and belief, in relation to the audit of Investors Central Ltd for the year ended 30 June 2023, there have been:

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

Yours faithfully
Jessups

Darren Thamm
Partner

Dated in Townsville this 17th day of October 2023

Financial statements

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These financial statements are the consolidated financial statements of the consolidated entity consisting of Investors Central Limited and its wholly owned subsidiaries. The financial statements are presented in the Australian Dollar ($).

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

Registered Office:
Investors Central Limited
C/- Carey Accountants
141 Sturt Street,
Townsville, Queensland, 4810.

Principal Place of Business:
Investors Central Limited
49 Dalrymple Road,
Garbutt, Queensland, 4814.

A description of the nature of the consolidated entity's operations and its principal activities is included in the review of Chairman and Managing Director's statement on page 4 and in the Directors' report on page 6, both of which are not part of these financial statements.

The financial statements were authorised for issue by the Directors on 17 October 2023.
The Directors have the power to amend and reissue the financial statements.

Consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2023

	Notes	2023 $ '000	2022 $ '000
Interest income	1, 2	76,867	57,542
Fee income	2	20,407	16,722
Other income		1,537	1,912
Total income		98,811	76,176
Other gains/(losses) – net	3	(36)	-
Interest expense		(35,349)	(27,884)
Loss allowance and bad debts expense		(15,375)	(9,516)
Employee benefits expense		(14,434)	(10,611)
Loan establishment fees		(4,456)	(4,606)
Advertising expenses		(3,509)	(2,424)
Depreciation and amortisation expense		(1,106)	(966)
Management fees		(1,429)	(2,580)
Consultancy fees		(1,406)	(1,266)
Accountancy fees		(133)	(92)
Other expenses		(4,769)	(3,475)
Total expenses		(82,002)	(63,420)
Profit before income tax		**16,809**	**12,756**
Income tax expense	4	(5,034)	(3,898)
Profit for the year		**11,775**	**8,858**
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		**11,775**	**8,858**
Total comprehensive income for the year is attributable to:			
Ordinary shareholder		**11,775**	**8,858**

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

Consolidated statement of financial position as at 30 June 2023

	Notes	2023 $ '000	2022 $ '000
Assets			
Current assets			
Cash and cash equivalents	5(a)	87,374	58,379
Loans and other receivables	5(b)	111,781	83,897
Other current assets		3,512	921
Total current assets		**202,667**	**143,197**
Non-current assets			
Loans and other receivables	5(b)	310,277	225,222
Property, plant and equipment	6(a)	1,175	1,291
Deferred tax assets	6(d)	6,991	4,947
Intangible assets	6(b)	1,841	1,841
Right-of-use assets	6(c)	1,804	2,574
Total non-current assets		**322,088**	**235,875**
Total assets		**524,755**	**379,072**
Liabilities			
Current liabilities			
Trade and other payables	5(c)	9,076	8,133
Borrowings	5(d)	165,640	90,323
Employee benefit obligations	6(e)	639	476
Other current liabilities		3,825	2,595
Deferred revenue		11,732	8,771
Lease liabilities	6(c)	760	647
Total current liabilities		**191,672**	**110,945**
Non-current liabilities			
Borrowings	5(d)	286,000	229,351
Employee benefit obligations	6(e)	395	289
Lease liabilities	6(c)	1,142	1,994
Total non-current liabilities		**287,537**	**231,634**
Total liabilities		**479,209**	**342,579**
Net assets		**45,546**	**36,493**
Equity			
Contributed equity	7(a)	2,527	2,527
Reserves	7(b)	(1,420)	(1,420)
Retained earnings		44,439	35,386
Total equity		**45,546**	**36,493**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity for the year ended 30 June 2023

	Notes	Share capital $'000	Business combination under common control $'000	Retained earnings $'000	Total equity $'000
Balance at 1 July 2021		**2,527**	**(1,420)**	**27,628**	**28,735**
Profit for the year		-	-	8,858	8,858
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		**-**	**-**	**8,858**	**8,858**
Transactions with owners in their capacity as owners:					
Dividends provided for or paid		-	-	(1,100)	(1,100)
Balance at 30 June 2022		2,527	(1,420)	35,386	36,493
Balance at 1 July 2022		**2,527**	**(1,420)**	**35,386**	**36,493**
Profit for the year		-	-	11,775	11,775
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		**-**	**-**	**11,775**	**11,775**
Transactions with owners in their capacity as owners:					
Dividends provided for or paid		-	-	(2,722)	(2,722)
Balance at 30 June 2023		**2,527**	**(1,420)**	**44,439**	**45,546**

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

Consolidated statement of cash flows for the year ended 30 June 2023

	Notes	2023 $ '000	2022 $ '000
Cash flows from operating activities			
Interest received		78,076	56,025
Interest paid		(33,818)	(24,916)
Receipts from customers (inclusive of GST)		15,853	13,724
Payments to suppliers and employees		(22,880)	(16,305)
New customer loans		(238,285)	(176,991)
Repayment of customer loans		110,784	86,848
Income tax paid		(7,873)	(2,721)
Net cash (outflow) from operating activities	**8(a)**	**(98,143)**	**(64,336)**
Cash flows from investing activities			
Payment for acquisition of subsidiary, net of cash acquired		-	(1,966)
Acquisition of property, plant and equipment	6(a)	(211)	(247)
Net cash (outflow) from investing activities		**(211)**	**(2,213)**
Cash flows from financing activities			
Proceeds from issues of preference shares	8(b)	59,775	38,701
Proceeds from issues of securitised notes	8(b)	157,924	93,091
Payments of securitised notes issue	8(b)	(59,537)	(21,254)
Repayment of preference shares	8(b)	(24,530)	(22,300)
Payment for transaction costs related to preference share and securitised notes issue	8(b)	(2,782)	(1,747)
Lease payments		(779)	(587)
Dividends paid to Company's shareholders		(2,722)	(1,100)
Net cash inflow from financing activities		**127,349**	**84,804**
Net increase in cash and cash equivalents		**28,995**	**18,255**
Cash and cash equivalents at the beginning of the financial year		58,379	40,124
Cash and cash equivalents at end of year	**5(a)**	**87,374**	**58,379**

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

Notes to the financial statements

1. Interest Income

	2023 $ '000	2022 $ '000
Cash and cash equivalent interest income	3,493	76
Loans and advances to customers interest income	73,104	57,464
Purchased debt ledger interest income	270	2
Total interest income	**76,867**	**57,542**

2. Revenue

The Group derives revenue over time and at a point in time as follows:

2023	Interest income $ '000	Fee income $ '000	Total $ '000
Timing of revenue recognition at a point in time	-	7,625	7,625
Over time	76,867	12,782	89,649
	76,867	**20,407**	**97,274**
2022			
Timing of revenue recognition at a point in time	-	5,530	5,530
Over time	57,542	11,192	68,734
	57,542	**16,722**	**74,264**

3. Other gain/(losses)

	2023 $ '000	2022 $ '000
Net gain/(loss) on lifetime expected credit losses - purchase debt ledger	(36)	-

Refer note 16(j)(vii) for accounting policy for the purchase debt ledger.

4. Income tax

(a) Income tax expense	2023 $ '000	2022 $ '000
Current tax on profits for the year	7,078	4,315
Total current tax expense	**7,078**	**4,315**
Deferred income tax		
Increase in deferred tax assets (note 6 (d))	(2,044)	(417)
Income tax expense	**5,034**	**3,898**

(b) Numerical reconciliation of income tax expense to prima facie tax payable	2023 $ '000	2022 $ '000
Profit from continuing operations before income tax expense	16,809	12,756
Tax at the Australian tax rate of 30% (2022 : 30%)	5,043	3,827
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Sundry non-deductible expenses	15	71
Previously unrecognised tax losses now recouped to reduce current tax expense	(24)	-
Income tax expense	**5,034**	**3,898**

(c) Franked dividends	Consolidated entity	
	2023 $ '000	2022 $ '000
Franking credits available for subsequent reporting periods based on a tax rate of 30% (2022 - 30%)	26,602	17,823

The franked portions of any dividends recommended after 30 June 2023 will be franked out of existing franking credits or out of franking credits arising from the payment of income tax in the year ended 30 June 2024.

The ability to utilise the franking credits is dependent upon there being sufficient available profits to declare dividends.

5. Financial assets and financial liabilities

(a) Cash and cash equivalents	2023 $ '000	2022 $ '000
Current assets		
Cash on hand and at bank	77,277	39,379
Deposits at call	10,097	19,000
Total current tax expense	**87,374**	**58,379**

(i) Classification as cash equivalents
Cash and cash equivalents include cash deposits and deposits at call with authorised deposit-taking institutions. Cash and cash equivalents are carried at amortised cost.

(ii) Restricted cash
Cash and cash equivalents of the Group include restricted balances as outlined below, that are not available to Group.

	2023 $ '000	2022 $ '000
Deposits held within securitisation trust collection accounts	16,272	8,220
External covenant - minimum liquidity balances	6,000	-
	22,272	**8,220**

(b) Trade and other receivables			2023			2022
	Current $'000	Non-current $'000	Total $'000	Current $'000	Non-current $'000	Total $'000
Loans receivable	115,868	323,112	438,980	87,634	234,152	321,786
Loss allowance	(8,172)	(14,124)	(22,296)	(6,555)	(9,020)	(15,575)
Net loans receivable	**107,696**	**308,988**	**416,684**	**81,079**	**225,132**	**306,211**
Purchased debt ledgers	577	1,289	1,866	9	90	99
Other receivables	38	-	38	119	-	119
Accrued interest	3,470	-	3,470	2,690	-	2,690
Total trade & other receivables	**111,781**	**310,277**	**422,058**	**83,897**	**225,222**	**309,119**

Gross: Loans receivable and purchase debt ledgers	2023 $ '000	2022 $ '000
Contractual maturity analysis		
Not longer than 3 months	22,773	22,158
Longer than 3 months and not longer than 1 year	93,672	65,575
Longer than 1 year but not longer than 5 years	314,860	228,729
Longer than 5 years	9,541	5,423
	440,846	**321,885**

(i) Impairment of loans and advances

The Group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for loans receivable.

To measure the expected credit losses, loans receivable have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of loans over a period of 48 months before balance date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of the borrower to repay the outstanding balance.

On that basis, the loss allowance as at 30 June 2023 was determined as follows for receivables:

30 June 2023	Current	More than 30 days past due	More than 90 past due	More than 180 days past due	Total
Expected loss rate	0.99%	8.71%	15.90%	35.38%	5.08%
Gross carrying amount $'000	352,283	27,903	22,622	36,172	438,980
Loss allowance provision $'000	3,470	2,341	3,597	12,797	22,205
30 June 2022	**Current**	**More than 30 days past due**	**More than 90 past due**	**More than 180 days past due**	**Total**
Expected loss rate	1.42%	6.93%	16.73%	38.22%	4.84%
Gross carrying amount $'000	262,497	23,256	16,482	19,551	321,786
Loss allowance provision $'000	3,735	1,612	2,757	7,471	15,575

(ii) Credit quality - security held against loans	2023 $ '000	2022 $ '000
Secured by mortgage over motor vehicle and other assets	423,926	318,030
Value of collateral held at fair value	306,145	227,828

(ii) Credit quality - security held against loans

The value of collateral was determined by reference to the originated wholesale value of the motor vehicle and other assets and adjusted by a 32.5% reduction for each year since.

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 asset held as security for their loan. If a borrower fails to make their loan repayments, the Group may be forced to take possession of the asset.

Motor vehicles

With respect repossessed motor vehicles the Group would normally seek to immediately sell the motor vehicle via wholesale second hand markets. The realisable value will be 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.

Other assets

Other assets repossessed by the Group are normally sold at wholesale second hand markets at the prevailing market prices.

5. Financial assets and financial liabilities (continued)

(c) Trade and other payables	2023 $ '000	2022 $ '000
Current liabilities		
Trade payables	5,948	4,900
Amounts due to related parties	-	14
BAS payable	1,638	2,424
Other payables	1,490	795
Total trade and other payables	**9,076**	**8,133**

(d) Borrowings	2023			2022		
	Current $'000	Non-current $'000	Total $'000	Current $'000	Non-current $'000	Total $'000
Secured						
Securitised notes	53,534	116,692	170,226	22,165	49,672	71,837
Deferred debt issue costs	-	(2,821)	(2,821)	-	(1,150)	(1,150)
Total secured borrowings	**53,534**	**113,871**	**167,405**	**22,165**	**48,522**	**70,687**
Unsecured						
Redeemable preference shares	112,106	172,690	284,796	68,158	181,393	249,551
Costs relating to share issue	-	(561)	(561)	-	(564)	(564)
Total unsecured borrowings	**112,106**	**172,129**	**284,235**	**68,158**	**180,829**	**248,987**
Total borrowings	**165,640**	**286,000**	**451,640**	**90,323**	**229,351**	**319,674**

(i) Contractual maturity analysis

Contractual maturities of financial liabilities							
At 30 June 2023	**< 1 year $'000**	**1 – 2 years $'000**	**2 – 3 years $'000**	**3 – 4 years $'000**	**4 – 5 years $'000**	**Total $'000**	**Carrying amount $'000**
Non-derivatives							
Securitised notes ^	53,534	54,374	45,022	17,296	-	170,226	170,226
Redeemable preference shares*	117,699	89,963	63,275	47,865	8,074	326,876	284,796
	171,233	**144,337**	**108,297**	**65,161**	**8,074**	**497,102**	**455,022**
At 30 June 2022	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Non-derivatives							
Securitised notes ^	22,165	26,577	18,376	4,719	-	71,837	71,837
Redeemable preference shares*	72,380	109,758	92,020	11,387	3,670	289,215	249,551
	94,545	**136,335**	**110,396**	**16,106**	**3,670**	**361,052**	**321,388**

^ Due to nature of the notes, forecast interest calculations have not been included in the maturity analysis.

** Including accured interest payable on a monthly basis.*

(ii) ***Securitised notes***

On 18 August 2021 the Group established the IC Trust Series 2021-1, issuing A, B and C class notes to wholesale investors. The trust acquired a discrete pool of consumer auto loans of approximately $25 million from Fin One Pty Ltd, for net proceeds of approximately $22.75 million, with Fin One Pty Ltd holding D class notes of $2.25 million. The facility has no direct recourse to the Company.

On 17 December 2021 the Group established the IC Trust Series 2021-2 and made a first draw under the facility of $10.34 million. Fin One Pty Ltd and Finance One Commercial Pty Ltd assigned the rights of a specified pool of existing consumer and commercial loans to Perpetual Corporate Trust Ltd as an independent trustee, to raise approximately $73 million from sophisticated investors issuing class A, B, & C Notes. The facility is secured with a pool of loans with a total value as at 31 October 2021 of approximately $85 million. Fin One Pty Ltd and Finance One Commercial Pty Ltd are holding the D notes of $7.16 million. The facility has no direct recourse to the Company.

On 11 October 2022 the Group established the IC Trust Series 2022-1 and made a first draw under the facility of $62.89 million. Fin One Pty Ltd and Finance One Commercial Pty Ltd assigned the rights of a specified pool of existing consumer and commercial loans to Perpetual Corporate Trust Ltd as an independent trustee, to raise approximately $68.69 million from sophisticated investors issuing class A, B, and C. The facility is secured with a pool of loans with a total value as at 31 July 2022 of approximately $78 million. Fin One Pty Ltd and Finance One Commercial Pty Ltd are holding the D notes of $9.30 million. The facility has no direct recourse to the Company.

On 6 March 2023 the Group established the IC Trust Series 2023-1 and made a first draw under the facility of $38.66 million. Fin One Pty Ltd and Finance One Commercial Pty Ltd assigned the rights of a specified pool of existing consumer and commercial loans to Perpetual Corporate Trust Ltd as an independent trustee, to raise approximately $42.16 million from sophisticated investors issuing class A, B, C & D notes. The facility is secured with a pool of loans with a total value as of 31 December 2022 of approximately $48.16 million. Fin One Pty Ltd and Finance One Commercial Pty Ltd are holding the D notes of $3.50 million and E notes of $6.0 million. The facility has no direct recourse to the Company.

Securitised warehouse facility

On 26 June 2023 the Group established an asset-backed revolving warehouse facility, the IC Warehouse Trust No. 1 of $150 million with the senior facility provider Nomura Special Investments Singapore Pte. Ltd (Nomura). Fin One Pty Ltd and Finance One Commercial Pty Ltd assigned the rights of a specified pool of existing consumer and commercial loans to Perpetual Corporate Trust Ltd as an independent trustee, with the first draw down of $46.72 million on 28 June 2023 by issuing A notes. The facility is secured with a pool of loans with a total value of approximately $60.69 million as of 19 June 2023. Fin One Pty Ltd is holding the C notes of $15.57 million. This facility has no direct recourse to the Company.

(iii) ***Redeemable preference shares***

Redeemable preference shares have been issued with fixed terms of 3 - 60 months and interest paid between 2.75% and 14.35% p.a. (2022: 2.75% and 14.35% 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.

5. Financial assets and financial liabilities (continued)

(d) Borrowings (continued)

(iii) Redeemable preference shares (continued)

The following table highlights the relationship of the assets held by Investors Central which includes a security charge over the assets of Finance One to the preference shares issued:

	2023 $ '000	2022 $ '000
Assets		
Cash and cash equivalents #	65,101	51,822
Gross loans receivable *	236,393	242,333
Securitised notes held by Finance One	43,785	9,410
Purchased debt ledgers ^	1,866	99
	347,145	**303,664**
Liabilities		
Redeemable preference shares	**284,796**	**249,551**

 # excludes restricted cash and cash equivalents, refer to note 5(a)(ii)

** excludes securitised amounts*

^ prior year balances have been adjusted for consistency with the current year disclosures that reflect updated information

6. Non-financial assets and liabilities

(a) Property, plant and equipment	Plant and equipment $ '000	Leasehold improvements $ '000	Total $ '000
At 1 July 2021			
Cost or fair value	1,175	999	2,174
Accumulated depreciation	(635)	(171)	(806)
Net book amount	**540**	**828**	**1,368**
Year ended 30 June 2022			
Opening net book amount	540	828	1,368
Acquisition of subsidiary	1	-	1
Additions	247	-	247
Depreciation charge	(228)	(97)	(325)
Closing net book amount	**560**	**731**	**1,291**
At 30 June 2022			
Cost or fair value	1,420	999	2,419
Accumulated depreciation	(860)	(268)	(1,128)
Net book amount	**560**	**731**	**1,291**
Year ended 30 June 2023			
Opening net book amount	560	731	1,291
Additions	211	-	211
Depreciation charge	(229)	(98)	(327)
Closing net book amount	**542**	**633**	**1,175**
At 30 June 2023			
Cost or fair value	1,631	999	2,630
Accumulated depreciation	(1,089)	(366)	(1,455)
Net book amount	**542**	**633**	**1,175**

6. Non-financial assets and liabilities (continued)

(b) Intangible assets	Goodwill $ '000
Year ended 30 June 2022	
Acquisition of subsidiary	1,841
Closing net book amount	**1,841**
At 30 June 2022	
Cost	1,841
At 30 June 2023*	
Cost	1,841

** There have been no additions (disposals) of intangible assets for the financial year ended 30 June 2023*

(c) Leases

(i) Amounts recognised in the consolidated statement of financial position
The consolidated statement of financial position shows the following amounts relating to leases:

(c) Leases	2023 $ '000	2022 $ '000
Right-of-use assets		
Buildings	1,804	2,574
Lease liabilities		
Current	760	647
Non-current	1,142	1,994
	1,902	**2,641**

Additions to the right-of-use assets during the 2023 financial year were $nil (2022: $1,393,000 & $243,000 through acquisition of a subsidiary).

(ii) Amounts recognised in the statement of profit or loss
The consolidated statement of profit or loss and other comprehensive income shows the following amounts relating to leases:

Depreciation charge of right-of-use assets		
Buildings	779	641
Interest expense (included in finance cost)	934	477

(d) Deferred tax balances	2023 $ '000	2022 $ '000
The balance comprises temporary differences attributable to:		
Plant and equipment	(102)	(124)
Employee benefits and accruals	394	398
Loss allowance	6,699	4,673
	6,991	**4,947**
Movements:		
Opening balance	4,947	4,476
Credited to profit or loss (note 4(a))	2,044	417
Acquisition of subsidiary	-	54
Closing balance	**6,991**	**4,947**

(e) Employee benefit obligations	2023			2022		
	Current $'000	Non-current $'000	Total $'000	Current $'000	Non-current $'000	Total $'000
Employee benefits	**639**	**395**	**1,034**	**476**	**289**	**765**

7. Equity

(a) Contributed equity	2023 Shares	2023 $'000	2022 Shares	2022 $'000
Ordinary shares - fully paid	**2,527,367**	**2,527**	**2,527,367**	**2,527**

(i) ***Ordinary shares***

There was no movement in fully paid ordinary shares for the year ended 30 June 2022 or 30 June 2023. Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital. On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

(ii) ***Capital risk management***

The Company's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Management effectively manages the Company's capital by assessing the Company's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, amounts payable to related parties and share issues.

The Company's capital comprises of equity as shown in the statement of financial position. The Group is exposed to external financial covenants, these include maintaining a minimum net tangible assets position of $10 million for Fin One Pty and $3 million for Finance One Commercial Pty Ltd. The Group is compliant for the financial year-ended 30 June 2023. (2022: Not applicable)

The capital risk management policy remains unchanged since 30 June 2022.

(b) Reserves	2023 $ '000	2022 $ '000
Business under common control reserve	**(1,420)**	**(1,420)**

(i) ***Business Combination under common control reserve***

Any difference between the cost of the acquisition (i.e. the fair value of the consideration paid), and the amounts at which the acquired assets and liabilities are recorded for business combinations under common control) have been recognised in the business combinations under common control' reserve.

On 20 May 2013 the group acquired 100% of the share capital of Fin One Pty Ltd.
This acquisition is a business combination under common control. It has been accounted for by the Group prospectively from the date of obtaining the ownership interest. Assets and liabilities have been recognised upon consolidation at their carrying amounts in Fin One Pty Ltd's financial statements.

The difference between the cost of the acquisition (i.e. the fair value of the consideration paid), and the amounts at which the assets and liabilities have been recorded is recognised in the 'business combinations under common control' reserve.

8. Cash flow information

(a) Reconciliation of profit after income tax to net cash inflow from operating activities	2023 $ '000	2022 $ '000
Profit for the year	11,775	8,858
Adjustment for: Depreciation and amortisation	1,106	966
Amortisation of transaction costs	1,116	538
Change in operating assets and liabilities, net of assets and liabilities purchased as part of a business combination:		
Increase in loans and advances	(328,327)	(245,937)
Customer loan repayments	201,193	156,439
Loss allowance	15,375	9,516
Increase in prepayments and other assets	(2,502)	(699)
Increase in deferred tax asset	(2,044)	(417)
Increase in other payables	3,949	6,207
Increase in employee benefits	216	193
Net cash outflow from operating activities	**(98,143)**	**(64,336)**

(b) Net debt reconciliation	2023 $ '000	2022 $ '000
Cash and cash equivalents	**87,374**	58,379
Borrowings - repayable within one year	**(165,640)**	(90,323)
Borrowings - repayable after one year	**(286,000)**	(229,351)
Net debt	**(364,266)**	**(261,295)**

	Cash $'000	Due within 1 year $'000	Due after 1 year $'000	Total $'000
Net debt as at 1 July 2021	40,124	(51,519)	(181,126)	(192,521)
Financing cashflows	-	43,554	(131,792)	(88,238)
Total cashflows	18,255	-	-	18,255
Amortisation of transaction costs	-	-	(538)	(538)
Other non-cash movements	-	(82,358)	82,358	-
Costs relating to share issue	-	-	1,747	1,747
Net debt as at 30 June 2022	**58,379**	**(90,323)**	**(229,351)**	**(261,295)**
Net debt as at 1 July 2022	58,379	(90,323)	(229,351)	(261,295)
Financing cashflows	-	84,067	(217,699)	(133,632)
Total cashflows	28,995	-	-	28,995
Amortisation of transaction costs	-	-	(1,116)	(1,116)
Other non-cash movements	-	(159,384)	159,384	-
Costs relating to share issue	-	-	2,782	2,782
Net debt as at 30 June 2023	**87,374**	**(165,640)**	**(286,000)**	**(364,266)**

9. Related party transactions

(a) Parent entity

On the 20th May 2013, Investors Central Limited became the parent entity of Fin One Pty Ltd, by purchasing a 100% of the shares from the previous shareholder.

(b) Subsidiaries

Interests in subsidiaries are set out in note 10(a).

(c) Transactions with other related parties

The following transactions occurred with related parties:

	2023 ($)	2022 ($)
Interest paid to Directors on preference shares held	1,991,031	1,721,189
McGeachie Group Pty Ltd, McGeachie Property Pty Ltd and JEM Management, companies associated with Jamie McGeachie a director of the company, provided corporate services, administration, accounting, business operation support services and rent.	1,606,194	2,792,962

(d) Outstanding balances arising from purchases of goods and services

The following balances are outstanding at the end of the reporting year in relation to transactions with related parties:

	2023 ($)	2022 ($)
Current payables	-	(14,202)

10. Interests in other entities

(a) Material subsidiaries

The Group's principal subsidiaries at 30 June 2023 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name of entity	Place of business or country of incorporation	Ownership interest held by the group	
		2023 (%)	2022 (%)
Finance One Pty Ltd	Australia	100	100
Finance One Commercial Pty Ltd	Australia	100	100
Cash Buddy Pty Ltd	Australia	100	100
Commercial Credit Control Pty Ltd	Australia	100	100
Strategic Collections Pty Ltd	Australia	100	100

11. Contingent liabilities

The Group had no contingent liabilities at 30 June 2023 (2022: nil).

12. Events occurring after the reporting period

On 29 August 2023, the Group has notified the independent trust manager of the IC Trust 2021-1 exercising the call option. This in line with industry practice for securitised trusts with nominal outstanding gross loans. On 18 November 2023 the Group will pay out the remaining balance of the secured notes and buy back the remaining gross loans and advances of the Trust. The Trust will be closed upon the orderly realisation of the net assets.

During August 2023, the Group entered into investments in short-term deposits that are exposed to interest rate risk. Interest income earned on these balances can vary due to interest rate changes. These short-term deposits are held with different authorised deposit-taking institutions (ADI) that are rated Grade 1 to Grade 2, based on APRA's APS 112 *Capital Adequacy*: *Standardised Approach to Credit Risk* (*Attachment F, paragraph 8, table 22*) which are broadly aligned to external short term credit rating agencies such as Standard & Poor's, Moody's and Fitch.

No other matter or circumstance has occurred subsequent to year 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 years.

13. Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the entity and its related practices:

	2023 ($)	2022 ($)
Audit of financial statements	52,635	45,320

14. Parent entity financial information

(a) Summary financial information

The individual financial statements for the parent entity, Investors Central Limited, show the following aggregate amounts:

Summary statement of financial position	**2023 $ '000**	**2022 $ '000**
Current assets	288,392	251,182
Non-current assets	2,614	2,603
Total assets	**291,006**	**253,785**
Current liabilities	116,278	70,257
Non-current liabilities	172,022	180,904
Total liabilities	**288,300**	**251,161**
Net assets	**2,706**	**2,624**
Shareholders' equity		
Contributed equity	2,527	2,527
Retained earnings	179	97
Total shareholders' equity	**2,706**	**2,624**

Summary statement of profit or loss and other comprehensive income	**2023 $ '000**	**2022 $ '000**
Profit for the year	**2,804**	**1,138**
Total profit or loss and other comprehensive income	**2,804**	**1,138**

15. Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate risk, ageing analysis for credit risk.

Risk management is carried out by senior management under policies approved by the Board of Directors. These policies include identification and analysis of the risk exposure of the company and appropriate procedures, controls and risk limits. Senior management identifies and evaluates financial risks within the company and reports to the Board of Directors on a monthly basis.

(a) Market risk

Market risk is the risk that changes in interest rates or other prices and volatilities will have an adverse effect on the Group's financial condition or results. The Group is not exposed to currency risk or other significant price risk. The Group does not trade in the financial instruments it holds on its books. It is exposed only to interest rate risk arising from changes in market interest rates.

Interest rate risk
Interest rate risk is the risk of variability of the fair value or future cash flows arising from financial instruments due to the changes in interest rates. The Group's main interest rate risk arises from cash and cash equivalents, loans and advances to customers and amounts payable to related entities. Amounts payable to related entities attract a fixed interest rate which exposes the Group to fair value interest rate risk. The Group manages this risk by charging a fixed interest on loans and advances to customers at a higher margin than the required interest paid.

At the reporting date the interest profile of the Group's interest-bearing financial instruments was:

	2023 $ '000	2022 $ '000
Variable rate instruments		
Cash and cash equivalents	87,374	58,379
Borrowings - securitised notes	(170,226)	(71,837)
	(82,852)	**(13,458)**
Fixed rate instruments		
Loans and advances to customers	438,980	321,786
Borrowings - redeemable preference shares	(284,796)	(249,551)
	154,184	**72,235**

Change in interest rates on variable rate instruments of ± 100 (2022: ± 100) basis points per annum would have a ± $828,520 (2022: ± $134,569) effect on profit before tax. The percentage change is based on the expected volatility of interest rates using market data and analysts' forecasts.

15. Financial risk management (continued)

(b) Credit risk

Credit risk is the risk that customers and other counterparties will be unable to meet their obligations to the Group which may result in financial losses. Credit risk arises principally from loans and advances to customers.

The Group predominantly operates in the automotive lending business and writes loans up to $75,000 with the average interest rate of approximately 24% p.a. and commercial loans up to $150,000 with average interest rates of approximately 21% p.a. The Group specialises in lending to individuals with poor credit histories, who can demonstrate that they are able to service loan repayments without suffering financial hardship. These borrowers may be unable to obtain finance from banks and accordingly may be regarded at a higher risk of defaulting on their loans exposing the Group to credit risk.

All loan applications are measured against a tested credit matrix which is reviewed and refined to consider demographic and economic conditions. This matrix is clearly communicated and well understood by our credit analysts, who are also responsible for checking borrowers' documentation including credit files, employment details and bank statements. An application cannot proceed until all required documentation is provided.

Finance One has developed internal lending guidelines to ensure that loans are carefully reviewed before funds are advanced. Finance One may approve loans which fall outside its lending guidelines if management considers the applicant to be otherwise creditworthy. The purpose of Finance One's lending guidelines are to screen out undesirable loans by undertaking thorough due diligence on borrowers.

The lending policy consists of the following steps:

- Initial loan review
- Borrower credit checks
- Valuation of loan security
- Loan approval
- Settlement of loan documents

To minimise the potential for loan defaults, Finance One will schedule a borrower's loan repayment date to coincide with the borrower's pay cycle to ensure a greater likelihood of successful loan repayments being made. All the loans are subject to ongoing monitoring of borrower's progress in making repayments by a dedicated arrears management team using a loan arrears software package. Any loan default is immediately highlighted in a specific loan repayment report. If a borrower fails to make a scheduled repayment, the company will implement its loan default management procedures.

Set out below is a summary of Finance One's loan management policy:

Systems for ongoing monitoring of loans	With all loan repayments being electronic, Finance One utilises a specific software package to monitor all loan repayments, and in particular, any loan defaults. This results in early remedial action being taken, often within 24 hours but generally within 3 days of default.
Scheduled repayments not made within 7 days	The borrower is contacted by telephone to assess their current financial situation and ascertain the reason for the default. Our arrears management team works with the borrower to arrive at a mutually satisfactory outcome after taking the borrower's current personal circumstances into consideration. By building rapport with our borrower's, we can minimise ongoing loan defaults. In addition to our personal contact, a standard loan arrears letter is sent to the client confirming the loan default and reminding them of their legal obligations.
Loan in default for 30 days	The borrower is again contacted by telephone to assess their current financial situation and ascertain whether there is any new reason for the default. Our arrears management team continues to work with the borrower to try to overcome the continuing default. Often further defaults can be avoided by structuring repayments to the borrower's current financial circumstances. In addition, a loan default letter is sent to the borrower confirming the loan default and reminding them of their legal obligations.
Loan in default for 60 days or more	The borrower is contacted by telephone to assess their current financial situation and why the loan remains in default. We continue to work with the borrower to try to overcome the default. Unless a more satisfactory arrangement can be made or in the event of the borrower not being contactable, we then set in motion our repossession and/or legal procedures. At this point a sterner loan default letter is sent to the client.

A provision for Impairment is established on all past-due loans after a specified period of repayment default where it is probable that some of the capital will not be repaid or recovered. Refer to note 16(j)(iv) for a detailed explanation.

A summary of past due but not impaired loans is set out in note 5(b)(i).

The geographical concentration of credit risk is as follows:

% of Loans and Advances		
State	**2023**	**2022**
Queensland	35.6%	36.6%
New South Wales	24.6%	24.8%
Victoria	21.3%	21.2%
Western Australia	9.2%	8.5%
South Australia	6.0%	5.6%
Tasmania	1.6%	1.7%
Australian Capital Territory	0.9%	0.7%
Northern Territory	0.8%	0.9%
	100.0%	**100.0%**

15. Financial risk management (continued)

(c) Liquidity risk

Liquidity risk for the Group is that it may encounter difficulties raising funds to meet commitments associated with financial instruments, e.g. borrowing repayments or loans written. It is the policy of the Board that the Group maintains adequate cash reserves to meet the payment of loan and interest payments when required.

The Group manages liquidity risk by:

- Monitoring actual daily cash flows and longer term forecasted cash flows;
- Monitoring the maturity profiles of financial assets and liabilities; and
- Maintaining adequate reserves.

Maturities of financial liabilities
The Group's financial liabilities into relevant maturity groupings based on their contractual maturities is set out in note 5(d)(i).

(d) Fair value estimation

The carrying amount of the Group's financial assets and liabilities approximates their fair value. Loans and receivables after allowance for impairment and payables are considered to be a reasonable approximation of fair value.

The carrying amount of current borrowings approximates fair value as the impact of discounting is not significant.
The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

16. Summary of significant accounting policies

The financial statements cover Investors Central Limited as an individual entity and Investors Central Limited and controlled entities as a Consolidated Entity. Investors Central Limited is an unlisted public company limited by shares and is incorporated and domiciled in Australia.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001. Investors Central Limited is a for-profit entity for the purpose of preparing the financial statements.

(i) ***Compliance with IFRS***
The consolidated financial statements of the Investors Central Limited Group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(ii) ***Historical cost convention***
These financial statements have been prepared under the historical cost basis.

(iii) ***New standards and interpretations not yet adopted***
There are no standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting years and on foreseeable future transactions.'

(b) Critical accounting estimates

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described below:

Impairment losses on loans and advances
All loans are subject to continuous management review to assess whether there is any objective evidence that any loan or group of loans is impaired. Evidence of impairment may include indications that the borrower has defaulted, is experiencing significant financial difficulty, or where the debt has been restructured to reduce the burden to the borrower.

The amount provided for impairment of loans is determined by management and the Board. An impairment loss is recognised on loans which have not maintained loan repayments in accordance with the loan contract, or where there is other evidence of potential impairment such as bankruptcy, job losses or economic circumstances.

The actual amount of the future cash flows and their timing may differ significantly from the assumptions made for the purposes of determining the impairment provision given the number of customers and current economic conditions. This uncertainty is exacerbated in the current economic climate, where the timing of, and value realisable from the collateral held in the form of motor vehicles is particularly uncertain. Consequently, these allowances can be subject to variation. Refer to note 5(b) in respect of impairment of loans and advances.

16. Summary of significant accounting policies (continued)

(c) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Investors Central Limited ('Company' or 'parent entity') as at 30 June 2023 and the results of all subsidiaries for the year then ended. Investors Central Limited and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

Subsidiaries
Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting, unless the acquisition was of an entity under common control. Refer to the 'business combinations' accounting policy for further details. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(d) Segment reporting

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

(e) Foreign currency translation

Functional and presentation currency
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollar ($), which is Investors Central Limited's functional and presentation currency.

(f) Revenue recognition

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with the customer. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of goods and service tax, returns, rebates and discounts. Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct good or services promised in the contract. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

The specific accounting policies for the Group's main business activities are recognised on the following basis:

(i) Interest income
Interest revenue is recognised over time using the effective interest rate method. The effective interest rate method calculates the amortised cost of a financial asset and allocates the interest income over the expected life of the financial asset so as to achieve a constant yield on the financial asset. Expected life is determined on the basis of the historical behaviour of the loan portfolio, taking into account contractual obligations and prepayment experience. This is assessed on a regular basis.

(ii) ***Fee income***
Upfront fee income in relation to loan origination that are integral to the effective interest rate of a financial asset are recognised using the effective interest rate method. This involves recognising the loan origination fees, net of direct loan origination costs, over the life of the loan as an adjustment of yield.

Fees charged for providing ongoing services (for example, maintaining and administering existing facilities) are recognised as income over the period the service is provided.

(iii) ***Interest income – purchased debt ledgers***
Revenue from purchased debt ledgers (PDLs) represents the component designated as interest income through the application of the credit-adjusted effective interest rate to the amortised cost of the PDLs. Interest revenue also includes realisations from fully amortised PDLs.

Revenue from PDLs includes the impact of changes in expected realisations which represent an impairment gain or loss. These gains or losses are disclosed as a separate line within other gains/(losses), refer note 3.

(g) Interest expense

Interest expense is recognised in profit or loss as it accrues, using the effective interest method.

(h) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity or in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised on the initial recognition of assets or liabilities, in a transaction that is not a business combination and that affects neither accounting nor taxable profit.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(i) Business combinations

Business combinations under common control are accounted for in the consolidated accounts prospectively from the date the group obtains the ownership interest. Assets and liabilities are recognised upon consolidation at their carrying amount in the acquiree’s financial statements. Any difference between the fair value of the consideration paid and the amounts at which the assets and liabilities are recorded is recognised directly in equity in the ‘business combinations under common control’ reserve.

16. Summary of significant accounting policies (continued)

(j) Financial assets and liabilities

(i) Recognition

The Group initially recognises loans and advances on the date that they are originated. All other financial assets and liabilities are initially recognised on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

(ii) Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire. The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

(iii) Amortised cost measurement

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

(iv) Identification and measurement of impairment

The Group recognises loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortised cost. Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The ECL on loans and other receivables is determined as follows:

a. The Group collectively assesses ECLs on loans receivable where there has not been a significant increase in credit risk since initial recognition and that were not credit impaired upon origination. For these loans receivable, the Group recognises as a collective provision the 12 month ECL. The 12 month ECL is the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

b. The Group identifies, both collectively and individually, ECLs on loans receivable where there has been a significant increase in credit risk since initial recognition and/or are considered credit impaired. For these loans, a lifetime ECL is recognised as a collective or specific provision. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

When determining whether the credit risk of loans and other receivables has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

(j) Financial assets and liabilities (continued)

Financial assets held by the Group are described below:

(v) ***Cash and cash equivalents***
For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(vi) ***Loans and advances***
Loans and advances are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Group does not intend to sell immediately or in the next term.
Loans and advances are initially measured at fair value plus incremental direct transaction costs, and subsequently measured at their amortised cost using the effective interest method and after assessing provisions for impairment losses.

Impairment of a loan is recognised when there is reasonable doubt that not all the principal and interest can be collected in accordance with the terms of the loan agreement. Bad debts are written off when identified. Write-offs for bad debts are recognised as expenses through profit or loss.

(vii) ***Purchased Debt Ledgers (PDLs)***
PDLs are considered purchased or originated credit impaired assets (POCIs) under AASB 9 *Financial Instruments*. For POCIs the fair value at initial recognition already takes into consideration lifetime expected credit losses and represents consideration paid. PDLs are subsequently measured at amortised cost by applying the credit adjusted effective interest rate in accordance with AASB 9. This occurs at the level of individual PDL tranches using a forecast of expected remaining collections. The credit adjusted effective interest rate is derived in the period of acquisition of the PDL tranche and equates to the internal rate of return (IRR) of the forecast cash flows without consideration of collection costs.

The credit adjusted effective interest rate is used over the collection period to apportion the cash collections between the principal and interest components. Changes in expected realisations are determined at the level of each PDL tranche which are then aggregated to generate either an impairment gain or loss.

The fair value of the PDLs is materially the same as the carrying value measured under amortised cost using the credit adjusted effective interest rate, as the risk-adjusted discount rate used in applying fair value would be similar to the credit adjusted effective interest rate used in amortised cost measurement.
The Group measures ECLs for PDLs at an amount equal to lifetime expected credit losses. Impairment losses are incorporated into the calculation of the credit adjusted effective interest rate. Where the carrying amount exceeds the present value of the estimated future cash flows discounted at the asset's original credit adjusted effective interest rate, the Group recognises an impairment loss. Favourable changes in lifetime expected credit losses are recognised as an impairment gain, even if the favourable changes are more than the amount previously recognised in profit or loss as an impairment loss. The estimation of ECL's includes an assessment of forward-looking economic assumptions which are determine on a probability weighted basis based on reasonable and supportable forecasts.

For the assessment of forward-looking assumptions, the Group considers a number of indicators which impact the recoverability of PDLs and degradation of forecast expected cash flows.

The estimation and application of this forward-looking information requires significant judgment and is subject to internal governance and scrutiny. The Group leverages its existing cash flow models to inform these ECLs.

Upward impairments (write-ups) are increases to carrying values, discounted at the credit-adjusted EIR rate, of the PDLs as a result of reassessments to their estimated future cash flows and are recognised in the line item impairment gains on portfolio investments at amortised cost. Any subsequent reversals to write-up are also recorded as impairment loss on portfolio investments.

16. Summary of significant accounting policies (continued)

(j) Financial assets and liabilities (continued)

Financial liabilities held by the Group are described below:

(viii) Trade and other payables
Liabilities are recognised for amounts to be paid in the future for goods or services. Trade accounts payable are stated at cost, are non-interest bearing and are normally settled within 30 days.

(ix) Borrowings
Borrowings are initially recognised at fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the borrowings are classified as non-current.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting year.

(k) Fair value measurement

Fair values may be used for financial and non-financial asset and liability measurement as well as sundry disclosures. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is based on the presumption that the transaction takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market. The principal or most advantageous market must be accessible to, or by, the Group.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

The fair value measurement of a non-financial asset takes into account the market participant's ability to generate economic benefits by using the asset at its highest and best use or by selling it to another market participant that would use the asset at its highest and best use.

In measuring fair value, the Group uses valuation techniques that maximise the use of observable inputs and minimise the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed each reporting date and transfers between levels are determined based on a reassessment of the lowest level input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

(l) Leases

The Group leases offices. Rental contracts are typically made for fixed periods of 3 to 5 years but may have extension options as described below.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- makes adjustments specific to the lease, e.g., term, country, currency and security.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each year.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Extension and termination options
Extension and termination options are included in a number of property and equipment leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor. None of the total lease payments made were optional.

Critical judgements in determining the lease term
In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Potential future cash outflows of $1,506,097 have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated).

16. Summary of significant accounting policies (continued)

(m) Property, plant and equipment

Items of plant and equipment are measured at cost less accumulated depreciation (see below) and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

The cost of replacing part of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the consolidated entity and its cost can be measured reliably. The costs of the day-to-day servicing of plant and equipment are recognised in profit or loss as incurred.

Depreciation is recognised in profit or loss on a diminishing value basis over the estimated useful lives of each part of an item of plant and equipment. The estimated useful lives range from 3 to 20 years.

Depreciation methods, useful lives and residual values are reassessed at the reporting date.

(n) Intangible assets

Software
Costs associated with the development of software for internal use are capitalised if the software is technically feasible and the consolidated entity has both the intent and sufficient resources to complete the development. Costs are only capitalised if the asset can be reliably measured, will generate future economic benefits and there is an ability to use or sell the asset.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss when incurred.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use. The estimated useful lives range from 4 to 5 years

(o) Impairment of non-financial assets

The carrying amounts of the Group’s non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(p) Employee benefits

(i) ***Short-term obligations***

Liabilities for wages and salaries, including non-monetary benefits, bonuses, fringe benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

(ii) ***Other long-term employee benefit obligations***

The Group also has liabilities for long service leave and annual leave that are not expected to be settled wholly within 12 months after the end of the year in which the employees render the related service. These obligations are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting year using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and years of service. Expected future payments are discounted using market yields at the end of the reporting year of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting year, regardless of when the actual settlement is expected to occur.

(iii) ***Retirement benefit obligations***

Obligations for contributions to defined contribution superannuation funds are recognised as an expense in profit or loss when they are due.

(q) Contributed equity

Ordinary shares are classified as equity. Mandatorily redeemable preference shares are classified as liabilities, see note 5(d)(iii). Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(r) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting year but not distributed at the end of the reporting year.

(s) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the consolidated statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(t) 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 financial statements. Amounts in the financial statements have been rounded off in accordance with the instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

(u) Parent entity financial information

These financial statements include the results of both the parent entity and the consolidated entity in accordance with Class Order 10/654, issued by the Australian Securities and Investments Commission.

Directors' declaration

In the Directors' opinion:

(a) the financial statements and notes set out on pages 15 to 47 are in accordance with the *Corporations Act 2001,* including:

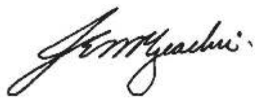
i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2023 and of its performance for the financial year ended on that date, and

ii. complying with Accounting Standards, the *Corporations Regulations 2001*, and

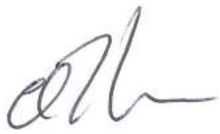
(b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

The Directors draw attention to Note 16 (a) to the financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the Directors.



Jamie Edward McGeachie
Director



Quinnton Cowen
Director

Townsville
17 October 2023

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INVESTORS CENTRAL LIMITED FOR THE YEAR ENDED 30 JUNE 2023

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

OPINION

We have audited the financial report of Investors Central Limited (the Company and its controlled entities ("the Group")), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and the directors' declaration.

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

- giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- 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 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* (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.

INFORMATION OTHER THAN THE FINANCIAL REPORT AND AUDITOR'S REPORT THEREON

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023, 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 this other information, we are required to report that fact. We have nothing to report in this regard.

JESSUPS

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL REPORT

The directors of the Company are responsible for the preparation of the 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 the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group 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 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 financial report is located at the Auditing and Assurance Standards website at: https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf. This description forms part of our auditor's report.

REPORT ON THE REMUNERATION REPORT

We have audited the Remuneration Report included in pages 7 to 9 of the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Investors Central Limited, for the year ended 30 June 2023, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Jessups

Darren Thamm
Partner

Dated this 17th day of October 2023