



INTERIM FINANCIAL REPORT FOR THE HALF-YEAR 31 DECEMBER 2023



INVESTORS CENTRAL

Investors Central Limited
ACN 143 097 385

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by Investors Central Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

These financial statements are the consolidated financial statements of the consolidated entity consisting of Investors Central Limited and its 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 IS:

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

PRINCIPAL PLACE OF BUSINESS IS:

Investors Central Limited
49 Dalrymple Road,
Garbutt, Queensland, 4814.

DIRECTORS' REPORT

The directors present their report on the consolidated entity (hereafter referred to as the "Group") consisting of Investors Central Limited (hereafter referred to as the "Company") and the entities it controlled at the end of, or during, the half-year ended 31 December 2023.

Directors

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

Executive Directors

Jamie Edward McGeachie
Quinnton Cowen
Darren Eric Cantor

Non-Executive Director

Andrew Peter Kemp
Joseph Michael McShanag

Principal activities

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

- a. public capital raising to fund the continued expansion of our mainly automotive lending businesses, Fin One Pty Ltd, 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;
- b. provision of a suite of consumer and commercial loans by Finance One; and
- c. provision of debt purchasing and debt collection services by Strategic Collections Pty Ltd and its subsidiary Commercial Credit Control Pty Ltd.

Review of operations

The profit from ordinary activities after income tax amounted to \$6,571,000 (2022: \$5,234,000).

Significant changes in the state of affairs

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

Matters subsequent to the end of the financial period

No matter or circumstance has arisen since 31 December 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

In the foreseeable future it is expected that the Group will continue its principal activities as described above.

Remuneration report

The directors present the Investors Central Limited 31 December 2023 half-year remuneration report, outlining key aspects of our remuneration policy and framework, and remuneration awarded this period.

a. Policy for determining the nature and amount of key management personnel remuneration

Remuneration levels are competitively set to attract and retain appropriately qualified and experienced Directors and Senior Management. The Remuneration Committee recommends the remuneration 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 bonuses or equity-based remuneration entirely at the discretion of the Board based on the performance of the individual.

Performance-based agreements with Executive Directors or Senior Management include 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 effecting the payment of any accrued bonuses are:

- a. The return on equity target is greater than 25% of stakeholder 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 on a quarterly basis 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 '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

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

31 December 2023	Short-term benefits			Post-employment benefits	Long-term benefits		
Name	Cash salary and fees	Cash bonus	Non-monetary benefits	Super-annuation	Annual and long service leave	LTI	Total
	\$	\$	\$	\$	\$	\$	\$
Managing Director - Jamie McGeachie ^{AA}	161,102	-	4,334	1,578	-	-	167,014
CEO - Darren Cantor	182,230	262,766	-	17,256	2,920	13,833	479,005
CFO - Quinnton Cowen*	123,980	45,795	-	16,279	3,542	1,729	191,325
Director - Stephen Jones (resigned 30	7,000	8,029	-	1,653	-	-	16,682
Non-Exec.Director - Andrew Kemp ^A	31,185	-	-	3,119	-	-	34,304
Non-Exec.Director - Joseph McShanag	27,675	-	-	3,044	-	-	30,719
Company Secretary - Neesha Pierce	102,328	11,586	-	12,362	1,667	792	128,735
Total key management personnel compensation	635,500	328,176	4,334	55,291	8,129	16,354	1,047,784

31 December 2022	Short-term benefits			Post-employment benefits	Long-term benefits		
Name	Cash salary and fees	Cash bonus	Non-monetary benefits	Super-annuation	Annual and long service leave	LTI	Total
	\$	\$	\$	\$	\$	\$	\$
Managing Director - Jamie McGeachie ^{AA}	160,717	-	2,892	-	-	-	163,609
CEO - Darren Cantor	135,255	67,922	-	13,288	1,885	14,217	232,567
CFO - Quinnton Cowen*	110,415	29,153	-	14,667	5,518	4,187	163,940
Director - Stephen Jones (resigned 30	63,964	17,697	-	8,868	4,122	2,791	97,442
Non-Exec.Director - Andrew Kemp ^A	32,819	-	-	-	-	-	32,819
Non-Exec.Director - Joseph McShanag	27,000	-	-	2,835	-	-	29,835
Total key management personnel compensation	530,170	114,772	2,892	39,658	11,525	21,195	720,212

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

^A Amounts inclusive of GST

Remuneration report (continued)

The Board recognises that to grow and remain competitive, it is required to strategically invest in our people to build the right teams and culture across the Group.

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.

	31 December 2023 Ordinary shares	30 June 2023 Ordinary shares
Managing Director - Jamie McGeachie	2,527,367	2,527,367

ii. Redeemable preference shares

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

	31 December 2023 \$'000	30 June 2023 \$'000
Managing Director - Jamie McGeachie [#]	6,309	6,253
CEO - Darren Cantor	275	250
CFO - Quinnton Cowen*	980	940
Director - Stephen Jones (resigned 30 June 2023)	666	661
Non-Exec.Director – Andrew Kemp [^]	995	1,245
Non-Exec.Director – Joseph McShanag	5,861	5,681
	15,086	15,030

[#] Redeemable preference shares held by key management personnel have been granted pursuant to the Employee Prospectus and are current as at 31 December 2023.

[^] Redeemable preference shares held by key management personnel have been granted pursuant to the Company Prospectus and are current as at 31 December 2023.

Auditor

Jessups continues in office in accordance with section 327 of the Corporations Act 2001.

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 7.

Rounding of amounts

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

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

On behalf of the directors



Jamie Edward McGeachie
Director



Quinnton Cowen
Director

Townsville
10th April 2024



JESSUPS

INDEPENDENCE DECLARATION

TO THE DIRECTORS OF INVESTORS CENTRAL LTD
FOR THE HALF YEAR ENDED 31 DECEMBER 2023

We declare that, to the best of our knowledge and belief, in relation to the review of Investors Central Ltd for the half-year ended 31 December 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 10th day of April 2024

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR 31 DECEMBER 2023

	Notes	31 December 2023 \$'000	31 December 2022 \$'000
Interest income	3, 4	48,354	37,549
Fee income	4	11,006	8,142
Other income		332	226
Total income		59,692	45,917
Interest expense		(21,132)	(16,392)
Net gain/(loss) on lifetime expected credit losses - purchase debt ledger		(173)	-
Loss allowance and bad debts expense		(9,965)	(6,926)
Employee benefits expense		(9,481)	(6,750)
Loan establishment fees		(2,196)	(2,229)
Management fees		(884)	(867)
Advertising expenses		(1,655)	(1,857)
Consultancy fees		(855)	(642)
Depreciation and amortisation expense		(503)	(543)
Accountancy fees		(167)	(66)
Other expenses		(3,284)	(2,153)
Total expenses		(50,295)	(38,425)
Profit before income tax		9,397	7,492
Income tax expense		(2,826)	(2,258)
Profit for the period		6,571	5,234
Other comprehensive income for the period, net of tax		-	-
Total comprehensive income for the period		6,571	5,234
Profit is attributable to: Owners of Investors Central Limited		6,571	5,234
Total comprehensive income for the period is attributable to: Owners of Investors Central Limited		6,571	5,234

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	Notes	31 December 2023 \$'000	30 June 2023 \$'000
ASSETS			
<i>Current assets</i>			
Cash and cash equivalents	5	47,961	77,277
Loans and other receivables	6	123,686	111,781
Financial assets at amortised cost	7	22,222	10,097
Other current assets		1,394	3,512
Total current assets		195,263	202,667
<i>Non-current assets</i>			
Loans and other receivables	6	338,763	310,277
Property, plant and equipment		1,118	1,175
Deferred tax assets		8,050	6,991
Intangible assets		1,840	1,841
Right-of-use assets		1,763	1,804
Total non-current assets		351,534	322,088
Total assets		546,797	524,755
LIABILITIES			
<i>Current liabilities</i>			
Trade and other payables		9,703	9,076
Borrowings	8	198,066	165,640
Deferred revenue		12,562	11,732
Employee benefit obligations		741	639
Other current liabilities		1,313	3,825
Lease liabilities		753	760
Total current liabilities		223,138	191,672
<i>Non-current liabilities</i>			
Borrowings	8	271,575	286,000
Employee benefit obligations		486	395
Lease liabilities		1,061	1,142
Total non-current liabilities		273,122	287,537
Total liabilities		496,260	479,209
Net assets		50,537	45,546
EQUITY			
Contributed equity		2,527	2,527
Other reserves		(1,420)	(1,420)
Retained earnings		49,430	44,439
Total equity		50,537	45,546

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Notes	Share capital \$'000	Business combination under common control \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2022		2,527	(1,420)	35,386	36,493
Profit for the year		-	-	5,234	5,234
Total comprehensive income for the period		-	-	5,234	5,234
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS:					
Dividends provided for or paid	2	-	-	(1,473)	(1,473)
Balance at 31 December 2022		2,527	(1,420)	39,147	40,254
Balance at 1 July 2023		2,527	(1,420)	44,439	45,546
Profit for the year		-	-	6,571	6,571
Total comprehensive income for the period		-	-	6,571	6,571
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS:					
Dividends provided for or paid	2	-	-	(1,580)	(1,580)
Balance at 31 December 2023		2,527	(1,420)	49,430	50,537

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR 31 DECEMBER 2023

	Notes	31 December 2023 \$'000	31 December 2022 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		45,572	35,090
Interest paid		(19,977)	(15,630)
Receipts from customers (inclusive of GST)		9,097	7,849
Payments to suppliers and employees		(17,544)	(9,091)
		17,148	18,218
(INCREASE)/DECREASE IN OPERATING ASSETS:			
New customer loans		(116,663)	(120,822)
Repayment of customer loans		70,315	54,838
		(46,348)	(65,984)
Net cash (outflow) from operating activities before income tax		(29,200)	(47,766)
Income tax paid		(3,090)	(3,860)
Net cash (outflow) from operating activities		(32,290)	(51,626)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(96)	(97)
(Deposit to)/draw down from term deposits		(12,125)	9,000
Net cash (outflow) inflow from investing activities		(12,221)	8,903
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issues of preference shares		22,493	37,867
Repayment of preference shares		(20,827)	(7,626)
Proceeds from issues of securitised notes		52,450	69,195
Repayment of securitised notes		(36,777)	(29,159)
Payment for transaction costs related to share and securitised		(215)	(1,294)
Lease payments		(349)	(387)
Dividends paid to Company's shareholders	2	(1,580)	(1,473)
Net cash inflow from financing activities		15,195	67,123
Net (decrease)/increase in cash and cash equivalents		(29,316)	24,400
Cash and cash equivalents at the beginning of the financial year		77,277	39,379
Cash and cash equivalents at end of period	5	47,961	63,779

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 31 DECEMBER 2023

1. BASIS OF PREPARATION OF HALF-YEAR REPORT

This condensed consolidated interim financial report for the half-year reporting period ended 31 December 2023 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This condensed consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by Investors Central Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*. The historical cost basis has been used.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the adoption of new and amended standards as set out below.

a. Segment reporting

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

b. New and amended standards adopted by the Group

There are no new or amended 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.

2. DIVIDENDS

c. Ordinary shares

	Half-year	
	31 December 2023 \$'000	31 December 2022 \$'000
Dividends provided for or paid during the half-year	1,580	1,473

3. INTEREST INCOME

	31 December 2023 \$'000	31 December 2022 \$'000
Cash and cash equivalent interest income	1,300	396
Loans and advances to customers interest income	47,054	37,153
	48,354	37,549

4. REVENUE FROM CONTRACTS WITH CUSTOMERS

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

2023	Interest Income \$'000	Fee Income \$'000	Total \$'000
Over time	48,354	4,407	52,761
At a point in time	-	6,599	6,599
	48,354	11,006	59,360

2022	Interest Income \$'000	Fee Income \$'000	Total \$'000
Over time	37,549	4,745	42,294
At a point in time	-	3,397	3,397
	37,549	8,142	45,691

5. CASH AND CASH EQUIVALENTS

	31 December 2023 \$'000	30 June 2023 \$'000
CURRENT ASSETS		
Cash on hand and at bank	47,961	77,277

i. Classification as cash equivalents

Cash and cash equivalents include cash deposits and deposits at call with authorised deposit-taking institutions.

ii. Restricted cash

Cash and cash equivalents include restricted balances of \$18.61 million (30 June 2023: \$16.27 million) in the Group which represents deposits held in securitisation trust collection accounts which are not available to the Group.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 31 DECEMBER 2023

(CONTINUED)

6. LOANS AND OTHER RECEIVABLES

	31 December 2023			30 June 2023		
	Current	Non-current \$'000	Total \$'000	Current \$'000	Non-current \$'000	Total \$'000
Purchase debt ledger	1,847	2,643	4,490	577	1,289	1,866
Loans receivable	125,906	352,076	477,982	115,868	323,112	438,980
Loss allowance	(8,971)	(15,956)	(24,927)	(8,172)	(14,124)	(22,296)
	118,782	338,763	457,545	108,273	310,277	418,550
Other receivables	687	-	687	38	-	38
Accrued interest	4,217	-	4,217	3,470	-	3,470
	123,686	338,763	462,449	111,781	310,277	422,058

a. Contractual maturity analysis

	31 December 2023 \$'000	30 June 2023 \$'000
Not longer than 3 months	29,042	22,773
Longer than 3 months and not longer than 1 year	98,710	93,672
Longer than 1 year but not longer than 5 years	345,719	314,860
Longer than 5 years	9,000	9,541
	482,472	440,846

b. 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 sales over a period of 48 months 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 customers to settle the receivables.

On that basis, the loss allowance was determined as follows for receivables:

31 December 2023	Current	More than 30 days past due	More than 90 past due	More than 180 days past due	Total
Expected loss rate	0.75%	11.12%	16.02%	38.03%	5.22%
Gross carrying amount (\$'000)	384,278	33,781	20,532	39,391	477,982
Loss allowance provision (\$'000)	2,901	3,757	3,289	14,980	24,927

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	2,431	3,597	12,797	22,295

c. Credit quality - security held against loans

	31 December 2023 \$'000	30 June 2023 \$'000
Secured by mortgage over motor vehicle	448,741	423,926
Value of collateral held at fair value	322,910	306,145

The value of collateral held was determined by reference to the wholesale value of motor vehicles held as collateral at date of loan origination reduced by 32.5% for each year since loan origination.

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

7. FINANCIAL ASSETS AT AMORTISED COST

	31 December 2023 \$'000	30 June 2023 \$'000
Term deposits	12,000	10,097
Negotiable certificates of deposit	10,222	-
	22,222	10,097

These short-term deposits are held with different authorised deposit-taking institutions 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.

8. BORROWINGS

	31 December 2023			30 June 2023		
	Current	Non-current	Total	Current	Non-current	Total
		\$'000	\$'000	\$'000	\$'000	\$'000
SECURED						
Securitised notes (b)	68,798	117,101	185,899	53,534	116,692	170,226
Deferred debt issue costs	-	(2,138)	(2,138)	-	(2,821)	(2,821)
Total secured borrowings	68,798	114,963	183,761	53,534	113,871	167,405
UNSECURED						
Redeemable preference shares (c)	129,268	157,194	286,462	112,106	172,690	284,796
Costs relating to share issue	-	(582)	(582)	-	(561)	(561)
Total unsecured borrowings	129,268	156,612	285,880	112,106	172,129	284,235
Total borrowings	198,066	271,575	469,641	165,640	286,000	451,640

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 31 DECEMBER 2023

(CONTINUED)

8. BORROWINGS (CONTINUED)

a. Contractual maturity analysis

Contractual maturities of financial liabilities	Not longer than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	Between 4 and 5 years	Total contractual cash flows	Carrying amount (assets) / liabilities
at 31 December 2023	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
NON-DERIVATIVES							
Interest bearing notes [^]	68,798	107,052	10,049	-	-	185,899	185,899
Redeemable preference shares	149,458	67,244	42,699	62,846	8,188	330,435	286,462
Total non-derivatives	218,256	174,296	52,748	62,846	8,188	516,334	472,361

Contractual maturities of financial liabilities	Not longer than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	Between 4 and 5 years	Total contractual cash flows	Carrying amount (assets) / liabilities
at 30 June 2023	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
NON-DERIVATIVES							
Interest bearing 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
Total non-derivatives	171,233	144,337	108,297	65,161	8,074	497,102	455,022

[^] Securitised notes are at a floating rate, amortising, secured, limited recourse, pass-through debt securities issued in registered form. Due to nature of the notes, forecast interest calculations have not been included in the maturity analysis.

b. 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 \$25.0 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 Investors Central Limited. These loans as well as notes issued by the Trust were fully settled and redeemed during November 2023 in line with the Group strategy to raise increased financing via the securitised warehouse facility (see below).

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 \$73.0 million from sophisticated investors issuing class A, B, & C Notes. The facility is secured by a pool of loans with a total value as at 31 October 2021 of approximately \$85.0 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 Investors Central Limited.

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 \$78.0 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 Investors Central Limited.

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 E notes of \$6.0 million. The facility has no direct recourse to Investors Central Limited.

Securitised warehouse facility

On 26 June 2023 the Group established a \$200 million asset-backed revolving warehouse facility, the IC Warehouse Trust No. 1 with the senior provider 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. \$95.68 million was drawn as at 31 December 2023 (30 June 2023: \$46.72 million) by issuing class A notes. Fin One Pty Ltd is holding the C notes of \$31.89 million (30 June 2023: \$15.57 million).

The facility is secured with a pool of loans with a total value of approximately \$124.15 million (30 June 2023: \$60.69 million). This facility has no direct recourse to Investors Central Limited.

c. Redeemable preference shares

Redeemable preference shares have been issued with fixed terms of 3 - 60 months and interest paid between 4.25% and 14.35% p.a. (June 2023: 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. During a period in which money owing on preference shares is in arrears; or
- c. On a resolution to approve the terms of a buy-back agreement;
- d. During the winding up of the Company.

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.

	31 December 2023 \$'000	30 June 2023 \$'000
ASSETS		
Cash and cash equivalents [#]	29,340	55,004
Financial assets at amortised cost	22,222	10,097
Gross loans receivable*	251,848	236,393
Debt book	4,490	1,866
Securitised notes held by Finance One	54,354	43,785
	362,254	347,145
LIABILITIES		
Redeemable preference shares	286,462	284,796

[#] excludes restricted cash and cash equivalents held within the securitised trust

* excludes securitised amounts

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 31 DECEMBER 2023

(CONTINUED)

9. CONTINGENCIES

The Group had no contingent liabilities at 31 December 2023 (30 June 2023: nil).

10. RELATED PARTY TRANSACTIONS

a. Transactions with other related parties

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

	31 December 2023 \$'000	31 December 2022 \$'000
Interest paid to directors on preference shares held	914,749	923,544
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.	812,975	815,543

11. EVENTS OCCURRING AFTER THE REPORTING PERIOD

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

DIRECTORS' DECLARATION

In the directors' opinion:

- a. the interim financial statements and notes set out on pages 12 to 18 are in accordance with the *Corporations Act 2001*, including:
 - i. complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
 - ii. giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the half-year ended on that date, and
- b. there are reasonable grounds to believe that the Investors Central Limited will be able to pay its debts as and when they become due and payable.

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



Jamie Edward McGeachie
Director



Quinnton Cowen
Director

Townsville

10th April 2024



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INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF INVESTORS CENTRAL LTD
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

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Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Investors Central Limited and its subsidiaries (the Group), which comprises the condensed consolidated statement of financial position as at 31 December 2023, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Responsibilities of the Directors for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of Investors Central Ltd's financial position as at 31 December 2023 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

As the auditor of Investors Central Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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



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Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Investors Central Ltd, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Investors Central Ltd is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of Investors Central Ltd's financial position as at 31 December 2023 and of its financial performance for the half-year then ended; and
- complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Yours faithfully
Jessups

Darren Thamm
Partner

Dated this 10th day of April 2024



CORPORATE DIRECTORY

COMPANY

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