ANNUAL REPORT

2014 - 2015

Investors Central Limited

ACN 143 097 385

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Chairman's Report

Dear Investor

On behalf of the board of directors of Investors Central Ltd it is my pleasure to present the Consolidated Annual Report for the end of financial year 2015 (FY 2015).

The following financial report is a consolidation of Investors Central Ltd and its 100% owned subsidiary Fin One Pty Ltd (Finance One) for the full year ended 30 June 2015.

Investors Central Ltd.'s function is purely for the capital raising arm of the two separate companies and as such relies upon Finance One (the automotive lending business) to generate profits for the payment of interest to Investors of Investors Central Ltd. Under the current structure Investors Central Ltd will still be used as the capital raising arm of the business with the subsidiary Finance One being the core of the business to generate revenue for the group.

Continuing the growth throughout the financial year Investors Central has generated a full year profit after tax of $1.47M, an increase of 19.5% on the previous year (2014: $1.23M).

Investors Central Ltd 2015 Financial Highlights
. Earned income up 60.6% to $10.41M (2014: $6.48M)
. Net profit before tax up 17.5% to $2.10M (2014: $1.78M)
. Net profit after tax up 19.5% to $1.47M (2014: $1.23M)
. Total Equity up 60.1% to $3.91M (2014:$2.44M)
. Loan book increased by 79.6% to $36.91M (2014: $20.54M)

Finance Broker (Referrer) Network
We continue to expand our referrer network throughout Australia by personally meeting with new referrers and promoting the advantages of our loan product range. In addition, senior staff regularly visit our existing broker network to develop our business relationships with them. Our core business remains in Queensland while we are steadily building our presence in the other states. This year we have seen the average number of new loan applications per month grow by 57% to 563 (2014:357 per month).

Interestingly, we regularly receive direct enquiries from the mainstream broker network requesting accreditation with Finance One. It is apparent that over the preceding years Finance One has firmly established itself as a significant player within our automotive finance market sector. Finance One currently has 550 Finance Brokers (referrers) across Australia.

Collections
The success of Finance One's business is contingent on how effective money is repaid by customers. In line with the growth of our lending, the implementation of the Loans Management System and associated reporting is integral to this process. Focus has always been on the micro management of each customer through their opportunity to own a motor vehicle. It is pleasing to report that collections are within desirable parameters. It is prudent for Finance One to continue to maintain a robust contingency for doubtful debts. Finance One currently incurs bad debt levels at 4% to 8% of revenue, with bad debts written off for 2015 $564,541 (2014:$211,332).

Funding
Due to the continued steady expansion of the motor vehicle finance business it is necessary to seek capital to sustain this growth. Our business model for raising capital is built on the personal approach to expanding our Investor base through the use of an offer document. Our first prospectus was launched in July 2013 with the second prospectus being issued in August 2014. We expect to issue the new prospectus in late September 2015 which will enable Investors Central Ltd to raise up to $30 million over a thirteen month period.

Infrastructure
As our business grows we continue to increase our staff levels in keeping with our growth to ensure we can maintain the high level of service to our broker network. In addition, we are currently upgrading our Loan Management System to provide a more streamlined operation with improved data reporting.

Dividends
No dividends have been declared to be paid to ordinary shareholders. The growth of the company and its equity is to be built on the ability to use retained earnings into the foreseeable future to help grow the business.

Outlook
With the introduction of a new loan product and the fine tweaking of our existing loan products we are confident that new loan application volumes will continue to increase in the coming year. We remain focused on providing the market with competitive and sustainable loan products for the many thousands of Australians unable to obtain the more traditional forms of credit.

Our updated Prospectus, to be released in late September, will allow us to raise capital to meet the demands of our business.

The cornerstone to our continuing successful results is the commitment and dedication of our Staff, Management and Directors. I must place on record my personal gratitude to them for their continued loyalty and collective efforts.

Also, the loyalty and support of our Investors is an important contribution to the success of the Company.

Jamie McGeachie
Chairman

Directors' Report

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity' or 'group') consisting of Investors Central Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled for the year ended 30 June 2015.

Directors
The following persons were directors of Investors Central Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:
Jamie Edward McGeachie (appointed 13 April 2010)
Jason William Ryan (appointed 18 December 2012)
Quinnton Cowen (appointed 18 December 2012)
Stephen Paul Jones (appointed 18 December 2012)
Andrew Peter Kemp (appointed 22 August 2014)

Principal Activities
During the financial year the principal continuing activities of the consolidated entity consisted of:
- Public capital raising to fund the continued expansion of our automotive lending business, Fin One Pty Ltd trading as Finance One.
- Provision of motor vehicle loans by Finance One

Dividends
No dividends were paid to shareholders during the financial year.

Review of Operations
The profit for the consolidated entity after providing for income tax amounted to $1,470,879 (2014: $1,230,274)

Significant Changes in the State of Affairs
There were no significant changes in the state of affairs of the consolidated entity during the financial year.

Matters Subsequent to the End of the Financial Year
Investors Central Limited intends to issue a new Prospectus which will be lodged with ASIC to gain approval for the company to raise up to $30 million by offering investors the opportunity to purchase Redeemable Preference Shares under the Offer contained in the Prospectus. This will enable the group to continue its steady growth and the expansion of the Finance One loan book.

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

Environmental Regulation
The consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Information on Directors

Name	Jamie McGeachie
Title	Chairman and Managing Director
Qualifications	Cert. IV in Financial Services
Experience and expertise	Jamie has over 18 years' experience in the finance industry as founder and Managing Director of Finance One & Investors Central. In addition he has a close involvement in several other family business entities which are part of the McGeachie Group and under his guidance the McGeachie Group has expanded with various business lines including personal and motor finance, residential and commercial mortgages.
Special responsibilities	Managing Director

Name	Quinnton Cowen
Title	Director and Chief Financial Officer
Qualifications	Bachelor of Business, CPA
Experience and expertise	Quinn has had 13 years' experience as an accountant working in both private industry and public accounting and prior to joining the McGeachie Group acted as an external accountant and business advisor to the Group.
Special responsibilities	Finance

Name	Jason Ryan
Title	Director and Operations Manager
Qualifications	Diploma in Financial Services
Experience and expertise	Jason oversees our lending operations, distribution and market strategy across Finance One's business. Previously Jason held retail management positions before he joined the McGeachie Group in 2006 so he has overseen the steady development of Finance One from its beginnings.
Special responsibilities	Lending Operations

Name	Stephen Jones
Title	Director and Compliance Manager
Qualifications	Snr. Associate Aust. & N Z. Inst. of Insurance & Finance
Experience and expertise	Stephen had over 27 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	Compliance & Risk

Name	Andrew Peter Kemp
Title	Non-executive Director
Qualifications	Bachelor of Commerce, CA
Experience and expertise	Andrew is a chartered accountant and corporate adviser. His advisory business, Huntington Group, has structured 11 ASX listings since it was formed in 1987. He is currently a director of the ASX-listed Silver Chef Limited and PTB Group Limited.

Company Secretary
Stephen Jones has held the role of Company Secretary of Investors Central Pty Ltd since his appointment on the 25th September 2013.

Meetings of Directors
The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2015, and the number of meetings attended by each director were:

	Full Board		Audit & Risk	
	Attended	Held	Attended	Held
Jamie McGeachie	15	15	-	-
Quinnton Cowen	14	15	2	2
Jason Ryan	13	15	-	-
Stephen Jones	15	15	2	2
Andrew Kemp	15	15	2	2

Held: represents the number of meetings held during the time the director held office.

REMUNERATION REPORT – AUDITED

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 Board assesses the appropriateness of remuneration packages, given trends in comparative companies both locally and internationally. Remuneration packages comprise fixed remuneration and may include bonuses or equity based remuneration entirely at the discretion of the Board based on the performance of the individual. At the date of this report the Consolidated Entity has not entered into any agreements with Directors or Senior Management which include performance based components. As such there is no relationship between the Consolidated Entity's financial results, market price of its equity securities, dividends declared or paid during the financial period, or other capital returns to shareholders to the remuneration paid to Directors. No options were issued to Directors or senior executives during the financial year in respect of remuneration.

Details of Remuneration for Directors and Executive Officers
During the year there were no other Senior Executives which 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 of each Director of the company are as follows:

2015	Short-term employee benefits: Cash salary and fees	Short-term employee benefits: Cash bonus	Short-term employee benefits: Non-monetary benefits	Post-employment benefits: Super-annuation	Long-term benefits: Annual and long service leave	Total	Proportion of remuneration that is performance based	% of Value of remuneration that consists of options
	$	$	$	$	$	$	%	%
Name								
Directors								
Managing Director - Jamie McGeachie*	124,542	-	5,258	-	-	129,800	-	-
Manager - Jason Ryan	151,431	-	-	14,762	3,680	169,873	-	-
Manager - Quinnton Cowen *	88,307	-	-	8,272	-	96,579	-	-
Manager - Stephen Jones	59,355	-	-	3,240	-	62,595	-	-
Non-Exec. Director – Andrew Kemp	29,040	-	-	-	-	29,040	-	-
Total key management personnel compensation	452,675	-	5,258	26,274	3,680	487,887		
2014								
Managing Director - Jamie McGeachie*	33,660	-	7,673	-	-	41,333	-	-
Manager - Jason Ryan	131,538	-	-	12,167	3,341	147,046	-	-
Manager - Quinnton Cowen*	67,942	-	-	5,641	-	73,583	-	-
Manager - Stephen Jones	41,911	-	-	-	-	41,911	-	-
Total key management personnel compensation	275,051	-	7,673	17,808	3,341	303,873		

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

Director's Shareholding
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 McGeachie	2,527,367

Other Transactions

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

Key management Personnel	$
Managing Director - Jamie McGeachie	385,000
Manager - Jason Ryan	400,000
Manager - Quinnton Cowen	150,000
Manager - Stephen Jones	25,000
Non-Exec. Director – Andrew Kemp	841,000
Total	1,801,000

Redeemable preference shares held by key management personnel have been granted on the same basis as other holders. Details in relation to redeemable preference shares are detailed at Note 16.

Interest-bearing Notes
Details of interest bearing notes held directly, indirectly or beneficially by key management personnel are as follows:

Key management Personnel	$
Managing Director - Jamie McGeachie	1,195,000

Interest bearing notes held by key management personnel have been granted on the same basis as other holders. Details in relation to interest bearing notes are detailed at Note 16.

End of Remuneration Report

Shares Under Option
There are no unissued ordinary shares of Investor's Central Limited under option at the date of this report.

Shares Issued on the Exercise of Options
No ordinary shares of Investors Central Limited were issued during the year ended 30 June 2015 and up to the date of this report on the exercise of options granted.

Indemnity and Insurance of Officers
The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company has paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

Indemnity and Insurance of Auditor
The company 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.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on Behalf of the Company
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company 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 the following page.

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

This report is made in accordance with a resolution of directors, pursuant to section 298(2) (a) of the Corporations Act 2001.

On behalf of the directors

Jamie McGeachie
Director

Quinnton Cowen
Director

18 August 2015
Townsville

Jessups
Accountants & Business Advisors

INVESTORS CENTRAL LIMITED
ACN 143 097 385

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

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2015 there have been no contraventions of:

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

Jessups

Rodger Dunstan
Director

Dated: 18 AUGUST 2015.

1/19 Stanley Street
Townsville QLD 4810

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2015

		Consolidated Entity	
		2015	**2014**
	Note	**$**	**$**
Interest income	4	7,180,910	4,533,255
Interest expense	4	(4,609,939)	(2,813,218)
Net interest income		2,570,971	1,720,037
Fee income		3,227,843	1,943,517
Sundry income	5	3,775	5,725
		5,802,589	3,669,279
Employee benefits expense		(946,534)	(692,849)
Depreciation expense		(61,701)	(11,245)
Doubtful and bad debts expense		(1,091,248)	(364,348)
Accountancy fees		(56,140)	(58,082)
Advertising expenses		(458,652)	(204,573)
Management fees		(403,027)	(178,547)
Consultancy fees		(190,125)	(82,959)
Other expenses		(491,975)	(287,514)
Profit / (Loss) before income tax		2,103,187	1,789,162
Income tax benefit/(expense)	7(a)	(632,308)	(558,888)
Profit / (Loss) for the year		1,470,879	1,230,274
Other comprehensive income		-	-
Total comprehensive income		1,470,879	1,230,274

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity
for the year ended 30 June 2015

	Issued Share Capital $	Retained Earnings $	Business Combination under Common Control $	Total $
Consolidated Entity				
Balance at 1 July 2013	2,527,367	109,552	(1,420,082)	1,216,837
Total comprehensive income for the year				
Profit for the year	-	1,230,274	-	1,230,274
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	1,230,274	-	1,230,274
Balance at 30 June 2014	2,527,367	1,339,826	(1,420,082)	2,447,111
Total comprehensive income for the year				
Profit for the year	-	1,470,879	-	1,470,879
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	1,470,879	-	1,470,879
Balance at 30 June 2015	2,527,367	2,810,705	(1,420,082)	3,917,990

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position
as at 30 June 2015

	Note	Consolidated Entity 2015 $	Consolidated Entity 2014 $
ASSETS			
Cash and cash equivalents	8	6,439,613	5,046,867
Loans and advances (net)	9	36,913,328	20,548,636
Plant and equipment	10	88,412	82,228
Intangible assets	11	157,483	112,022
Deferred tax assets	13	1,079,777	646,397
Income tax receivable	16	42	-
Other	12	13,407	8,822
Total assets		44,692,062	26,444,972
LIABILITIES			
Payables	14	3,274,658	1,979,442
Borrowings	15	37,479,032	21,986,471
Income tax payable	16	-	15,497
Employee benefits	17	20,382	16,451
Total liabilities		40,774,072	23,997,861
Net assets		3,917,990	2,447,111
EQUITY			
Issued share capital	18	2,527,367	2,527,367
Reserves	19	(1,420,082)	(1,420,082)
Retained earnings		2,810,705	1,339,826
Total equity		3,917,990	2,447,111

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows
for the year ended 30 June 2015

	Note	Consolidated Entity 2015 $	2014 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		7,199,907	4,533,255
Interest paid		(4,291,827)	(2,768,764)
Fees and other income received		2,278,335	2,116,555
Payments to suppliers and employees		(2,399,687)	(1,335,763)
(Increase)/decrease in operating assets:		2,786,728	2,545,283
New Customer Loans		(24,245,040)	(11,662,906)
Repayment of customer loans		8,657,635	3,843,022
Net (increase)/decrease in customer loans		(15,587,405)	(7,819,884)
Net cash from operating activities before income tax		(12,800,677)	(5,274,601)
Income tax paid		(1,081,227)	(648,252)
Net cash from operating activities	20	(13,881,904)	(5,922,853)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of plant and equipment		(23,076)	(53,434)
Acquisition of intangible assets		(90,270)	(58,319)
Net cash (used in) investing activities		(113,346)	(111,753)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of preference shares		16,772,030	11,536,999
Repayment of borrowings		(1,250,000)	(2,856,000)
Payment for transaction costs related to share issue		(134,034)	(64,929)
Net cash from financing activities		15,387,996	8,616,070
Net increase in cash and cash equivalents		1,392,746	2,581,464
Cash and cash equivalents at 1 July		5,046,867	2,465,403
Cash and cash equivalents at 30 June	8	6,439,613	5,046,867

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements
for the year ended 30 June 2015

1 REPORTING ENTITY

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. Prior to 18 December 2012 Investors Central Limited was Investors Central Pty Ltd, an Australian proprietary company limited by shares.

The financial report was authorised for issue by the Directors on 18 August 2015.

2 BASIS OF PREPARATION

(a) Statement of Compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards ("AASBs") adopted by the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001. The financial report of the consolidated entity also complies with International Financial Reporting Standards ("IFRSs") and interpretations adopted by the International Accounting Standards Board. The consolidated entity is a for-profit entity for the purpose of preparing the financial statements.

(b) Basis of Measurement

The financial report has been prepared on the basis of historical costs.

(c) Functional and Presentation Currency

The financial report is presented in Australian dollars, which is the consolidated entity's functional currency.

(d) Parent Entity 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.

(e) New, Revised or Amending Accounting Standards and Interpretations Adopted

The new and amended standards and interpretations that could impact the consolidated entity are mandatory for the first time for the financial year beginning 1 July 2014 are as follows:

- AASB 132 Financial Instruments: Presentation
- AASB 136 Impairment of Assets
- AASB 139 Financial Instruments: Recognition and Measurement
- AASB Interpretation 21 Levies
- AASB 1031 Materiality
- AASB 2014-1 Amendments to Australian Accounting Standards- Part A: Annual Improvements 2010-2012 and 2011-2013 Cycles.

The adoption of these standards and interpretations did not have any material impact on the current or any prior period and is not likely to materially affect future periods.

(f) New Accounting Standards and Interpretations Not Yet Mandatory or Early Adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2015. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

2 BASIS OF PREPARATION (CONTINUED)

AASB 9 Financial Instruments and its Consequential Amendments
AASB 9 aims to replace AASB 139 Financial Instruments: Recognition and Measurement in its entirety. The AASB has issued the complete AASB 9. The new standard includes revised guidance on the classification and measurement of financial assets, including a new expected credit loss model for calculating impairment, and supplements the new general hedge accounting requirements previously published. The standard will become effective for annual periods beginning 1 July 2018.

AASB 15 Revenue from Contracts with Customers
AASB 15 aims to replace AASB 111 Construction Contracts, AASB 118 Revenue, AASB 1004 Contributions. The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised. The standard will become effective for annual periods beginning 1 July 2017.

Management have yet to assess the impact that these amendment are likely to have on the financial statements.

(g) Use of Estimates and Judgements
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 9 in respect of impairment of loans and advances.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Basis of Consolidation
The consolidated financial statements comprise the financial statements of Investors Central Limited ('company' or 'parent entity') and its subsidiaries at 30 June 2015 (“the group” or “consolidated entity”).

Subsidiaries are entities (including structured entities) over which the group has control. The group has control over an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity, and has the ability to use its power to affect those returns. Subsidiaries are consolidated from the date on which control is transferred to the group and are deconsolidated from the date that control ceases.

All intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

(b) 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.

(c) Financial Assets and Liabilities

Recognition

The consolidated entity 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 consolidated entity becomes a party to the contractual provisions of the instrument.

Derecognition

The consolidated entity derecognises a financial asset when the contractual rights to the cash flows from the asset expire.

The consolidated entity derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

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.

Identification and measurement of impairment

At each reporting date the consolidated entity assesses whether financial assets are impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more loss events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis.

All impairment losses are recognised in profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in profit or loss.

Financial assets

Financial assets held by the consolidated entity are described below:

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and at call deposits with banks or financial institutions.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ii) 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 consolidated entity 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. Impairment is assessed as described in Note 2.

Bad debts are written off when identified. Write-offs for bad debts are recognised as expenses through profit or loss.

Financial liabilities
Financial liabilities comprise payables and borrowings and are described below.

(i) 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.

(ii) 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.

(d) Fair Values
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.

(e) Plant and Equipment
Recognition and measurement
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.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent costs
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
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.

(f) 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.

Only costs that are directly attributable to bring the asset into working condition for its intended use are capitalised. These costs include all directly attributable costs necessary to create, produce and prepare the asset to be capable of operating in a manner intended by management. Other development expenditure is recognised in profit or loss as an expense is incurred.

Subsequent expenditure
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
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.

(g) Impairment of Non-financial Assets
The carrying amounts of the consolidated entity'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.

(h) Employee Benefits
Provision is made for the liability for employee benefits arising from services rendered by employees to the end of the reporting period.

Short-term employee benefits
Liabilities for wages, salaries, annual leave, sick leave, bonuses and the value of fringe benefits received (including non-monetary benefits) that are expected to be settled wholly within twelve months of the end of the reporting period are recognised in Payables in respect of employee services provided to the end of the reporting period and are measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long-term employee benefits
Liabilities for long service leave and annual leave are not expected to be wholly settled within twelve months of the end of the reporting period. They are recognised as provisions for employee benefits and are measured at the present value of the expected future payments to be made in respect of services provided to the end of the reporting period using the projected unit credit method. Consideration is given to expected future salary and wage increases, experience of employee departures and periods of service. Expected future payments are discounted using national government bond rates at the end of the reporting period with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Regardless of when settlement is expected to occur, liabilities for long service leave and annual leave are presented as current liabilities in the Statement of Financial Position if the entity does not have an unconditional right to defer settlement for at least twelve months after the end of the reporting period.

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

(i) Revenue

Interest income
Interest revenue is recognised as it accrues 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.

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.

(j) Interest Expense

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

(k) 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.

(l) Segment Reporting

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

Notes to the Financial Statements
for the year ended 30 June 2015

4 NET INTEREST INCOME

	Consolidated Entity	
	2015	**2014**
	$	**$**
Interest income		
Cash and cash equivalents	112,248	69,718
Loans and advances to customers	7,068,662	4,463,538
	7,180,910	4,533,256
Interest expense		
Note holders	(1,802,582)	(2,225,295)
Preference shares	(2,807,357)	(587,924)
Net interest income	2,570,971	1,720,037

5 OTHER INCOME

Employee Reimbursement	2,072	-
Government Subsidies	-	2,500
Bad Debts Recovered	1,703	3,225
	3,775	5,725

6 AUDITORS' REMUNERATION

Auditors of the consolidated entity

Audit services

Audit of the financial report	28,105	30,032
Other regulatory audit services	-	-
	28,105	30,032

7 INCOME TAX

(a) Income tax expense

Current tax expense		
Current year	1,073,399	646,538
(Over)/Underprovided prior years	(7,711)	13,418
Sub-total	1,065,688	659,956
Deferred tax expense		
Origination and reversal of temporary differences	(433,380)	(101,068)
Total income tax expense	632,308	558,888
Profit before tax	2,103,187	1,789,162
Income tax using the company tax rate of 30% (2014: 30%)	630,956	536,749
Increase in income tax expense due to:		
Non-deductible expenses	9,063	8,721
(Over)/Underprovided prior years	(7,711)	13,418
Income tax expense on pre-tax net profit	632,308	558,888

		Consolidated Entity	
		2015	**2014**
		$	**$**
7	**INCOME TAX (CONTINUED)**		
(b)	**Dividend franking amount**		
	30% franking credits available to members of the consolidated entity for subsequent financial years	2,798,178	1,732,490

The above available amounts are based on the balance of the dividend franking account at year-end adjusted for:

(a) franking credits that will arise from the payment of current tax liabilities.

(b) franking credits that the consolidated entity may be prevented from distributing in subsequent years.

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

		2015	2014
8	**CASH AND CASH EQUIVALENTS**		
	Current		
	Cash on hand	512	512
	Cash at bank	4,939,101	4,546,355
	Cash on deposit	1,500,000	500,000
	Cash and cash equivalents in the statement of cash flows	6,439,613	5,046,867
9	**LOANS AND ADVANCES**		
	Current		
	Loans receivable	11,418,280	6,650,741
	Receivables – related parties	-	-
	Non-Current		
	Loans Receivable	26,677,828	14,553,969
	Gross loans and advances	38,096,108	21,204,710
	Provision for impairment	(1,182,780)	(656,074)
	Net loans and advances	36,913,328	20,548,636
	Contractual maturity analysis		
	Receivables – at call		-
	Not longer than 3 months	2,764,821	1,596,098
	Longer than 3 months and not longer than 1 year	8,653,460	5,054,643
	Longer than 1 year and not longer than 5 years	26,629,556	14,238,047
	Longer than 5 years	48,271	315,922
		38,096,108	21,204,710
(a)	**Impairment of loans and advances**		
	Provision for impairment		
	Balance at 1 July	656,074	503,057
	Increase of impairment	526,706	153,017
	Balance at 30 June	1,182,780	656,074

Bad Debts written off are recognised directly in profit or loss. Bad debts written off were $564,541 (2014: $211,332).

9 LOANS AND ADVANCES (CONTINUED)

(b) Past due but not impaired loans

	2015 Carrying value $	2015 Past due $	2014 Carrying value $	2014 Past due $
< 90 days	5,787,659	289,426	3,832,235	197,038
90 to 180 days	1,202,086	262,809	694,259	164,003
>180 days	773,196	419,599	456,067	231,148
	7,762,941	971,834	4,982,561	592,189

(c) Credit quality –security held against loans

	Consolidated Entity 2015 $	Consolidated Entity 2014 $
Loans		
Secured by mortgage over motor vehicle	38,096,108	21,204,710
	38,096,108	21,204,710
Value of collateral held at fair value	26,500,417	15,448,529

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

The company 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 company may be forced to take possession of the motor vehicle. Normally, the company 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 company is forced to take possession of the motor vehicle and sell it on wholesale motor vehicle markets, the company may receive less for the vehicle than the amount owing under the loan.

10 PLANT AND EQUIPMENT

	2015	2014
Non-Current		
Plant and equipment, at cost	122,770	99,694
Accumulated depreciation	(34,358)	(17,466)
	88,412	82,228

Reconciliation

Reconciliation of the carrying amount is set out below:

	2015	2014
Balance at 1 July	82,228	40,039
Additions	23,076	53,434
Depreciation	(16,892)	(11,245)
Balance at 30 June	88,412	82,228

		Consolidated Entity	
		2015	2014
		$	$
11	**INTANGIBLE ASSETS**		
	Non-Current		
	Software development	202,292	112,022
	Less accumulated amortisation	(44,809)	-
		157,483	112,022
	Reconciliation		
	Reconciliation of the carrying amount is set out below:		
	Balance at 1 July	112,022	54,007
	Additions	90,270	58,320
	Amortisation	(44,809)	(305)
	Balance at 30 June	157,483	112,022
12	**OTHER ASSETS**		
	Current		
	Prepayments	6,417	8,822
	Other receivables	6,990	-
	Other	-	-
		13,407	8,822
13	**DEFERRED TAX**		
	Non-Current		
	Deferred tax asset and liabilities comprises temporary differences attributable to:		
	Amounts recognised in profit or loss:		
	Plant and equipment	(8,129)	(6,473)
	Super payable	-	4,636
	Employee benefits	20,762	19,375
	Deferred revenue	712,310	432,037
	Impairment provision	354,834	196,822
	Net tax assets/(liabilities)	1,079,777	646,397

		Consolidated Entity	
		2015	2014
		$	$
13	**DEFERRED TAX (CONTINUED)**		
	Movements:		
	Opening balance	646,397	545,329
	Credited to profit or loss (note 7)	433,380	101,068
	Closing balance	1,079,777	646,397
14	**PAYABLES**		
	Current		
	Accounts payable	543,974	266,626
	Liability for annual leave	48,825	48,131
	BAS payable	307,491	209,110
	Super payable	-	15,454
	Deferred income	2,374,368	1,440,121
		3,274,658	1,979,442

Loans approved but not yet drawn have been recognised at reporting date as accounts payable.

		2015	2014
15	**BORROWINGS**		
	Current		
	Interest bearing notes - unsecured	8,680,000	1,000,000
	Redeemable preference shares	1,429,999	250,000
	Non-Current		
	Interest bearing notes - unsecured	755,991	9,685,991
	Redeemable preference shares	26,879,030	11,286,999
	Less costs related to share issue	(265,988)	(236,519)
		37,479,032	21,986,471

Movements in interest bearing notes and redeemable preference shares	Interest bearing notes	Redeemable preference shares
Year Ended 30 June 2015		
Balance at beginning of year	10,685,991	11,536,999
Proceeds from issue	-	16,953,030
Repayments	(1,250,000)	(181,000)
Balance at end of year	9,435,991	28,309,029
Year Ended 30 June 2014		
Balance at beginning of year	13,541,991	-
Proceeds from issue	-	11,536,999
Repayments	(2,856,000)	-
Balance at end of year	10,685,991	11,536,999

	Consolidated Entity 2015 $	Consolidated Entity 2014 $
15 BORROWINGS (CONTINUED)		
Contractual maturity analysis- unsecured interest bearing notes		
Not longer than 1 year	10,203,584	2,815,592
Longer than 1 year and not longer than 2 years	767,176	10,490,407
Longer than 2 years and not longer than 3 years	-	767,176
	10,970,760	14,073,535
Contractual maturity analysis- redeemable preference shares		
Not longer than 1 year	5,269,179	1,830,020
Longer than 1 year and not longer than 2 years	7,129,301	2,183,243
Longer than 2 years and not longer than 3 years	10,987,516	4,822,232
Longer than 3 years and not longer than 4 years	8,301,198	3,343,512
Longer than 4 years and not longer than 5 years	9,508,344	4,884,854
	41,195,538	17,063,862

Unsecured notes have been issued with fixed terms of 36 months and interest paid between 16-18% p.a., dependent on the amount of the note.

Redeemable Preference Shares

Redeemable preference shares have been issued with fixed terms of 12 – 60 months and interest paid between 9 and 16% 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.

	Consolidated Entity 2015 $	Consolidated Entity 2014 $
16 INCOME TAX PAYABLE/ (RECEIVABLE)		
Current		
Income tax payable/(receivable)	(42)	15,497

The current income tax payable/ (receivable) represents the amount of income tax payable/ (receivable) in respect of the current and prior financial years less amounts paid during those years.

	2015 $	2014 $
17 EMPLOYEE BENEFITS		
Non-Current		
Liability for long service leave	20,382	16,451

Defined contribution superannuation funds

The consolidated entity makes contributions to defined contribution superannuation funds. The amount recognised as an expense was $87,345 for the year ended 30 June 2015 (2014: $56,823).

	Consolidated Entity	
	2015	**2014**
	$	**$**

18 ISSUED CAPITAL

Ordinary shares – fully paid	2,527,367	2,527,367

Movements in ordinary share capital	**No. of shares**	**Issue price**	**$**
Balance at 1 July 2014	2,527,367		2,527,367
Issue of shares	-		-
Balance at 30 June 2015	2,527,367		2,527,367

There was no movement in fully paid ordinary shares for the year ended 30 June 2015.

Ordinary shares

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.

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 equity as shown in the statement of financial position. The company is not exposed to externally imposed capital requirements.

The capital risk management policy remains unchanged from the 30 June 2012 Annual Report.

19 RESERVES

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.

		Consolidated Entity	
		2015	**2014**
		$	**$**
20	**NOTES TO THE STATEMENT OF CASH FLOWS**		
	Reconciliation of cash flows from operating activities		
	Profit/(loss) for the year	1,470,879	1,230,274
	Adjustments for:		
	Depreciation and amortisation	61,701	11,549
	Interest expense	104,565	44,454
	Income tax expense	632,308	558,888
	Operating profit before changes in working capital and provisions	2,269,453	1,845,165
	Increase/(decrease) in other payables	1,295,216	326,359
	(Increase)/decrease in prepayments and other assets	(4,585)	6,069
	(Increase)/decrease in loans and advances	(35,475,792)	(18,242,999)
	Customer loan repayments	18,019,854	10,423,115
	Bad and doubtful debts allowance	1,091,247	364,349
	Increase/(decrease) in employee benefits	3,930	3,341
		(12,800,677)	(5,274,601)
	Income taxes paid	(1,081,227)	(648,252)
	Net cash from operating activities	(13,881,904)	(5,922,853)

21 RELATED PARTIES

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.

Key management personnel compensation

The aggregate compensation made to directors and other members of key management personnel of the company is set out below:

	2015	2014
	$	**$**
Short-term employee benefits	457,933	282,724
Long-term employee benefits	3,680	3,341
Post-employment benefits	26,274	17,808
	487,887	303,873

Transactions with related parties

The following transactions occurred with related parties:

Interest received from Fin One Pty Ltd	4,505,374	2,768,764
McGeachie Group Pty Ltd, a company associated with Jamie McGeachie a director of the company, provided corporate services, administration, accounting, rent and business operation support services.	403,027	131,713
Huntington Group Pty Limited, a company associated with Andrew Kemp a director of the company, provided corporate services in respect to capital raising.*	46,750	-

*this in addition to remuneration paid for corporate services provided by non-executive director Andrew Kemp of Huntington Group Pty Limited.

Loans to/from related parties

	Consolidated Entity	
	2015	**2014**
	$	**$**
Loan to Fin One Pty Ltd	33,494,645	22,224,145
Loan from Fin One Pty Ltd	-	280,973

22 PARENT ENTITY INFORMATION

The following details information in relation to the parent entity Investors Central Limited, at 30 June 2015. The information presented here has been prepared in accordance with using consistent accounting policies as presented in Note 3.

	Consolidated Entity	
	2015	**2014**
	$	**$**
Current assets	38,110,163	22,333,761
Non-current assets	2,527,365	2,527,365
Total assets	40,637,528	24,861,126
Current liabilities	10,439,007	1,640,202
Non-current liabilities	27,688,367	20,736,471
Total liabilities	38,127,374	22,376,673
Contributed equity	2,527,367	2,527,367
Accumulated losses	(17,213)	(42,914)
Total equity	2,510,154	2,484,453
Profit/(loss) for the year	25,701	(44,462)
Total Comprehensive income for the year	25,701	(44,462)

At 30 June 2015, Investors Central Limited had capital commitments of $NIL (2014: $NIL).

23 FINANCIAL INSTRUMENTS

(a) Financial risk management objectives

The company's activities expose it to a variety of financial risks: market risk (including interest rate risk), credit risk and liquidity risk. The company'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 company. The company 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 finance management ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the company and appropriate procedures, controls and risk limits. Finance identifies and evaluates financial risks within the company. Finance reports to the Board on a monthly basis.

(b) Market risk

Market risk is the risk that changes in interest rates or other prices and volatilities will have an adverse effect on the company's financial condition or results. The company is not exposed to currency risk or other significant price risk. The company 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 company'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 company to fair value interest rate risk. The company 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:

	2015 $	**2014** $
Variable rate instruments		
Cash and cash equivalents	6,439,613	5,046,867
Fixed rate instruments		
Loans and advances to customers	36,913,328	20,548,637
Borrowings	(37,479,032)	(21,986,471)

An official increase/decrease in interest rates on variable rate instruments of 100 (2014:100) basis points would have a favourable/adverse effect on profit before tax of $64,396 (2013: $50,469) per annum. The percentage change is based on the expected volatility of interest rates using market data and analysts forecasts.

23 FINANCIAL INSTRUMENTS (CONTINUED)

(c) Liquidity risk

Liquidity risk for the company 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 company maintains adequate cash reserves so as to meet the payment of loan and interest payments when required.
The company 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.

The maturity profile of the financial liabilities, based on the contractual repayment terms is set out in Note 16.

(d) Credit risk

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

The company operates in the automotive lending business and writes loans up to $50,000 with interest rates to 29% p.a. The company 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 company to credit risk.

All loan applications are measured against a tested credit matrix which is reviewed and refined to take into account 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 in order 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

In order 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 borrowers 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. In the event that a borrower fails to make a scheduled repayment, the company will implement its loan default management procedures.

23 FINANCIAL INSTRUMENTS (CONTINUED)

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 are able to 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 2 for a detailed explanation.

A summary of past due but not impaired loans is set out in Note 9(b).

The geographical concentration of credit risk is as follows:

State	**% of Loans and Advances**
Queensland	50.03
New South Wales	17.41
Australian Capital Territory	1.03
Tasmania	1.22
Victoria	19.96
South Australia	3.33
Western Australia	6.28
Northern Territory	0.74

(e) 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.

Notes to the Financial Statements
for the year ended 30 June 2015

24 SUBSEQUENT EVENT

Investors Central Limited intends to issue a third Prospectus in late September 2015 which will be lodged with ASIC to gain approval for the company to raise up to $30 million by offering investors the opportunity to purchase Redeemable Preference Shares under the Offer contained in the Prospectus. This will enable the company to continue our steady growth and the expansion of the Finance One loan book.

25 COMPANY DETAILS

The registered office of the company is C/o Carey Accountants, 73-81 Lannercost Street, Ingham QLD 4850.

Directors' Declaration

In the opinion of the directors of Investors Central Limited ('consolidated entity):

(a) the financial statements and notes, set out on pages 9 to 31, are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the financial position of the consolidated entity as at 30 June 2015 and of its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

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

The directors draw attention to Note 2(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 McGeachie
Director

Quinnton Cowen
Director

Townsville
18 August 2015

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
INVESTORS CENTRAL LIMITED AND CONTROLLED ENTITY

Report on the Financial Report
I have audited the accompanying financial report of Investors Central Limited and controlled entity (the consolidated entity), which comprises the statement of financial position as at 30 June 2015, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end.

Directors' Responsibility 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 misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB101: Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility
My responsibility is to express an opinion on the financial report based on my audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence
In conducting my audit, I have complied with the independence requirements of the Corporations Act 2001. I confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Investors Central Limited, would be in the same terms if provided to the directors as at the date of this auditor's report.

Jessups
Accountants & Business Advisors

Auditor's Opinion

In my opinion the financial report of Investors Central Limited and the controlled entity is in accordance with the Corporations Act 2001, including:

(a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

(b) complying with Australian Accounting Standards (including Australian Accounting Interpretations), International Financial Reporting Standards and the Corporations Regulations 2001.

Dated: 18 AUGUST 2015.

1/19 Stanley Street
TOWNSVILLE QLD 4810

R. Dunstan
(Registered Company Auditor)
RCA No.: 6834