



INVESTORS
CENTRAL

HALF YEAR REPORT
31 DECEMBER 2022

Investors Central Limited
ACN 143 097 385

Table of contents

01

Directors report	3
-------------------------	---

02

Financial statements

2.0

Condensed consolidated statement of profit or loss and other comprehensive income	9
---	---

2.1

Condensed consolidated statement of financial position	10
--	----

2.2

Condensed consolidated statement of changes in equity	11
---	----

2.3

Condensed consolidated statement of cash flows	12
--	----

2.4

Notes to the condensed consolidated financial statements	13
--	----

03

Directors declaration	19
------------------------------	----

04

Independent auditor's review report to the members	20
---	----

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 2022 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 currency.

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

Its registered office is:

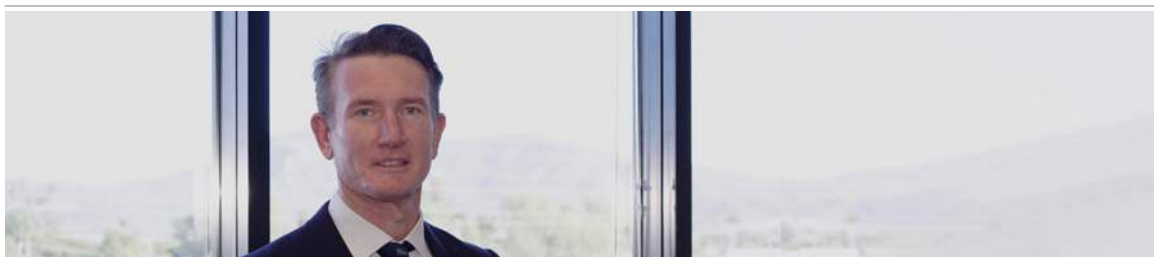
Investors Central Limited
C/- Carey Accountants
141 Sturt Street,
Townsville, Queensland, 4810.

Its principal place of business is:

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

Directors

Report



DIRECTORS REPORT

Your directors present their report on the consolidated entity (hereafter referred to as the “Group”) consisting of Investors Central Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2022.

Directors

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

Executive Directors

Jamie Edward McGeachie (appointed 13 April 2010)
Quinnton Cowen (appointed 18 December 2012)
Stephen Paul Jones (appointed 18 December 2012)

Non-Executive Directors

Andrew Peter Kemp (appointed 22 August 2014)
Joseph Michael McShanag (appointed 1 July 2018)

Principal activities

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

- public capital raising to fund the continued expansion of our predominantly automotive lending businesses, Fin One Pty Ltd, Finance One Commercial Pty Ltd (trading as Finance One) and our debt collection businesses, Strategic Collections Pty Ltd and Commercial Credit Control Pty Ltd;
- provision of a suite of consumer and commercial loans by Finance One; and
- 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 \$5.23 M (2021: \$2.96 M).

Income after tax was up 43% from last year, this is mainly due to the high growth experienced over the last 12 months. The Group remains in a strong financial position and remains focused on growth in sound quality business.

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. Our executive team has recently been bolstered with the addition of Darren Cantor, who has been appointed as Chief Executive Officer for the Group. Darren has many years of experience in the financial services and debt collection industries. He is tasked with spearheading the continuing growth of the Group along with ensuring the customer experience remains high.

Significant changes in the state of affairs

The group commenced a third securitisation of discrete pools of assets as set out in Note 6 b.

Other than the above 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

In March 2023 the group established its fourth rated asset-backed term securitisation programme, the ‘IC Trust Series 2023-1’. This \$50 million arrangement is with Fin One Pty Ltd and there is no direct recourse to Investors Central. No other matter or circumstance has arisen since 31 December 2022 that has significantly affected the Group’s operations, results or state of affairs, or may do so in future years.

Likely developments and expected results of operations

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

Remuneration report

The directors present the Investors Central Limited 31 December 2022 half-year remuneration report, outlining key aspects of our remuneration policy and framework, and remuneration awarded during this period.

- a. *Policy for determining the nature and amount of key management personnel (KMP) remuneration*
Remuneration levels are competitively set to attract and retain appropriately qualified and experienced Directors and Senior Management. The Remuneration Committee recommends the cash incentive to be paid to the individuals for approval by the Board. The Board assesses the appropriateness of remuneration packages given 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.

Prior to 1 July 2022

In the prior period, the Group had entered into performance-based agreements with Executive Directors or Senior Management which included short-term incentives (STI) and long-term incentives (LTI). Both the short-term incentive (STI) and long-term incentive (LTI) are an 'at risk' bonus provided in the form of cash. Both the STI and LTI together equate to a maximum of 25% of KMP base yearly salary (excludes super and leave accruals). No options were issued to Directors or senior executives during the financial period in respect of remuneration.

Short-term incentive bonus

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

Long-term incentive bonus

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

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

After 1 July 2022

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

- a. The return on equity 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 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 growth in 'net profit after tax'. The LTI-S is paid annually at the end of the financial year, with the LTI-L being accrued and payable at the end of a four-year period.

b. Details of remuneration

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 2022

	Short-term employee benefits			Post-employment benefits	Long-term benefits		Total \$
	Cash salary and fees \$	Cash bonus** \$	Non-monetary benefits \$	Super-annuation** \$	Long service leave \$	LTI** \$	
Managing Director Jamie McGeachie ^	160,717	-	2,892	-	-	-	163,609
CEO Darren Cantor (from 26 Aug 2022)	135,255	67,922	-	13,288	1,885	14,217	232,567
Manager Quinnton Cowen*	110,415	29,153	-	14,667	5,518	4,187	163,940
Manager Stephen Jones	63,964	17,697	-	8,868	4,122	2,791	97,442
Non-Exec. Director Andrew Kemp ^	31,259	-	-	1,418	-	-	32,677
Non-Exec. Director Joseph McShanag	27,000	-	-	2,835	-	-	29,835
Total key management personnel compensation	528,610	114,772	2,892	41,076	11,525	21,195	720,070

31 December 2021

	Short-term employee benefits			Post-employment benefits	Long-term benefits		Total \$
	Cash salary and fees \$	Cash bonus** \$	Non-monetary benefits \$	Super-annuation** \$	Long service leave \$	LTI** \$	
Managing Director Jamie McGeachie ^	165,206	-	6,480	-	-	-	171,686
Manager Quinnton Cowen*	96,290	54,509	-	15,030	2,292	3,938	172,059
Manager Stephen Jones*	66,484	36,968	-	10,595	711	2,501	117,259
Non-Exec. Director Andrew Kemp ^	30,250	-	-	-	-	-	30,250
Non-Exec. Director Joseph McShanag	25,000	-	-	2,500	-	-	27,500
Total key management personnel compensation	383,230	91,477	6,480	28,125	3,003	6,439	518,754

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

** Amounts have been included in the above table on an accrual basis and have been recorded at 100 per cent of the maximum potential payment.

^ Amounts inclusive of GST.

c. Director's shareholding

i. Ordinary shares

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

	31 December 2022 Ordinary shares
Managing Director - Jamie McGeachie	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 2022 \$'000	30 June 2022 \$'000
Managing Director - Jamie McGeachie #^	6,232	6,105
CEO - Darren Cantor #	600	-
Manager - Quintton Cowen #	795	680
Manager - Stephen Jones #	678	413
Non-Executive Director - Andrew Kemp ^	1,495	1,495
Non-Executive Director - Joseph McShanag #^	5,845	5,333
	15,645	14,026

Redeemable preference shares held by key management personnel have been granted pursuant to the Employee Prospectus and are current as at 31 December 2022.

^ Redeemable preference shares held by key management personnel have been granted pursuant to the Company Prospectus and are current as at 31 December 2022.

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 8.

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
03 May 2023



JESSUPS

INDEPENDENCE DECLARATION

TO THE DIRECTORS OF INVESTORS CENTRAL LTD
FOR THE HALF YEAR ENDED 31 DECEMBER 2022

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 2022, 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 3rd day of May 2023

Condensed consolidated statement of profit or loss & other comprehensive income

for the half year 31 December 2022

	Notes	31 Dec 2022 \$ '000	31 Dec 2021 \$ '000
Interest income	3, 4	37,549	26,504
Fee income	4	8,142	8,473
Other income		226	64
Total income		45,917	35,041
Interest expense		(16,392)	(13,625)
Loss allowance and bad debts expense		(6,926)	(3,966)
Employee benefits expense		(6,750)	(5,408)
Loan establishment fees		(2,229)	(2,336)
Management fees		(867)	(1,281)
Advertising expenses		(1,857)	(1,251)
Consultancy fees		(642)	(792)
Depreciation and amortisation expense		(543)	(406)
Accounting fees		(66)	(40)
Other expenses		(2,153)	(1,612)
Total expenses		(38,425)	(30,717)
Profit Before Income Tax		7,492	4,324
Income tax expense		(2,258)	(1,359)
Profit for the period		5,234	2,965
Other comprehensive income for the period, net of tax		-	-
Total comprehensive income for the period		5,234	2,965
Profit is attributable to: Owners of Investors Central Limited		5,234	2,965
Total comprehensive income for the year is attributable to: Owners of Investors Central Limited		5,234	2,965

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

Condensed consolidated statement of financial position

for the half year 31 December 2022

	Notes	31 Dec 2022 \$ '000	30 Jun 2022 \$ '000
ASSETS			
Current Assets			
Cash and cash equivalents		73,779	58,379
Loans and other receivables	5	97,393	83,987
Other current assets		1,182	921
Total current assets		172,354	143,287
Non-current assets			
Loans and other receivables	5	272,238	225,132
Property, plant and equipment		1,232	1,291
Deferred tax assets		6,144	4,947
Intangible assets		1,840	1,841
Right-of-use assets		2,190	2,574
Total non-current assets		283,644	235,785
Total assets		455,998	379,072
LIABILITIES			
Current liabilities			
Trade and other payables		9,450	8,133
Borrowings	6	127,341	90,323
Deferred revenue		10,149	8,771
Provisions		604	476
Other current liabilities		3,774	2,595
Lease liabilities		673	647
Total current liabilities		151,991	110,945
Non-current liabilities			
Borrowings	6	261,782	229,351
Provisions		366	289
Lease liabilities		1,605	1,994
Total non-current liabilities		263,753	231,634
Total liabilities		415,744	342,579
Net assets		40,254	36,493
EQUITY			
Contributed equity		2,527	2,527
Other reserves		(1,420)	(1,420)
Retained earnings		39,147	35,386
Total equity		40,254	36,493

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

Condensed consolidated statement of changes in equity for the half year 31 December 2022

	Notes	Share Capital \$ '000	Business combination under common control \$ '000	Retained earnings \$ '000	Total equity \$ '000
Balance at 1 July 2021		2,527	(1,420)	27,628	28,735
Profit for the period		-	-	2,965	2,965
Total comprehensive income for the period		-	-	2,965	2,965
Transactions with owners in their capacity as owners:					
Dividends provided for or paid	2	-	-	(359)	(359)
Balance at 31 December 2021		2,527	(1,420)	30,234	31,341
Balance at 1 July 2022		2,527	(1,420)	35,386	36,493
Profit for the period		-	-	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

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

Condensed consolidated statement of cash flows

for the half year 31 December 2022

	Notes	31 Dec 2022 \$'000	31 Dec 2021 \$'000
Cash flows from operating activities			
Interest received		35,090	26,162
Interest paid		(15,630)	(12,566)
Receipts from customers (inclusive of GST)		7,849	8,097
Payments to suppliers and employees		(9,091)	(9,617)
		18,218	12,076
(Increase)/decrease in operating assets			
New customer loans		(120,822)	(87,145)
Repayment of customer loans		54,838	42,304
		(65,984)	(44,841)
Net cash (outflow) from operating activities before income tax		(47,766)	(32,765)
Income tax paid		(3,860)	(85)
Net cash (outflow) from operating activities		(51,626)	(32,850)
Cash flows from investing activities			
Payment for acquisition of subsidiary, net of cash acquired		-	(1,966)
Acquisition of property, plant and equipment		(97)	(119)
Net cash (outflow) from investing activities		(97)	(2,085)
Cash flows from financing activities			
Proceeds from issues of preference shares		37,867	22,758
Repayment of preference shares		(7,626)	(13,350)
Proceeds from issues of securitised notes		69,195	33,740
Repayment of securitised notes		(29,159)	(6,074)
Payment for transaction costs related to share and securitised notes issue		(1,294)	(1,680)
Lease payments		(387)	(254)
Dividends paid to Company's shareholders	2	(1,473)	(359)
Net cash inflow from financing activities		67,123	34,781
Net (decrease) increase in cash and cash equivalents		15,400	(154)
Cash and cash equivalents at the beginning of the financial year		58,379	40,124
Cash and cash equivalents at end of period		73,779	39,970

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

Notes to the Condensed Consolidated Financial Statements for the half year 31 December 2022

1. BASIS OF PREPARATION OF HALF YEAR REPORT

This condensed consolidated interim financial report for the half-year reporting period ended 31 December 2022 have been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

These condensed consolidated interim financial report do not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2022 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 in one business and geographical segment, being a predominantly used automotive lending business in Australia.

b. New and amended standards adopted by the Group

A number of new or amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

2. DIVIDENDS

a. Ordinary shares

	Half-year	
	31 December 2022 \$ '000	31 December 2021 \$ '000
Dividends provided for or paid during the half-year	1,473	359

3. INTEREST INCOME

	31 December 2022 \$ '000	31 December 2021 \$ '000
Cash and cash equivalent interest income	396	33
Loans and advances to customers interest income	37,153	26,471
	37,549	26,504

Notes to the Condensed Consolidated Financial Statements for the half year 31 December 2022

4. REVENUE FROM CONTRACTS WITH CUSTOMERS

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

	Interest income \$ '000	Fee income \$ '000	Total \$ '000
2022			
Over time	37,549	4,745	42,294
At a point in time	-	3,397	3,397
	37,549	8,142	45,691
2021			
Over time	26,504	5,426	31,930
At a point in time	-	3,047	3,047
	26,504	8,473	34,977

5. LOANS AND OTHER RECEIVABLES

	31 December 2022			30 June 2022		
	Current \$ '000	Non-current \$ '000	Total \$ '000	Current \$ '000	Non-current \$ '000	Total \$ '000
Debt purchase receivable	314	238	552	99	-	99
Loans receivable	100,460	282,457	382,917	87,634	234,152	321,786
Provision for impairment	(7,156)	(10,457)	(17,613)	(6,555)	(9,020)	(15,575)
	93,618	272,238	365,856	81,178	225,132	306,310
Other receivables	578	-	578	119	-	119
Accrued interest	3,197	-	3,197	2,690	-	2,690
	97,393	272,238	369,631	83,987	225,132	309,119

a. Contractual maturity analysis

	31 December 2022 \$ '000	30 June 2022 \$ '000
Not longer than 3 months	24,626	22,158
Longer than 3 months and not longer than 1 year	76,148	65,575
Longer than 1 year but not longer than 5 years	274,258	228,729
Longer than 5 years	8,437	5,423
	383,469	321,885

Notes to the Condensed Consolidated Financial Statements for the half year 31 December 2022

5. LOANS AND OTHER RECEIVABLES (CONT)

b. Impairment 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:

	Current	More than 30 days past due	More than 90 days past due	More than 180 days past due	Total
At 31 December 2022					
Expected loss rate	1.19%	6.68%	15.50%	36.21%	4.60%
Gross carrying amount (\$'000)	310,786	27,429	19,823	24,879	382,917
Loss allowance provision (\$'000)	3,700	1,831	3,074	9,008	17,613
At 30 June 2022					
Expected loss rate	1.42%	6.93%	16.73%	38.22%	4.84%
Gross carrying amount (\$'000)	262,497	23,256	16,482	19,551	321,786
Loss allowance provision (\$'000)	3,735	1,612	2,757	7,471	15,575

c. Credit quality - security held against loans

	31 December 2022 \$ '000	30 June 2022 \$ '000
Secured by mortgage over motor vehicles and other assets	382,916	321,784
Value of collateral held at fair value	275,531	227,828

The value of collateral held was determined by reference to the wholesale value of motor vehicles and other assets 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.

Notes to the Condensed Consolidated Financial Statements for the half year 31 December 2022

6. BORROWINGS

	31 December 2022			30 June 2022		
	Current \$ '000	Non-current \$ '000	Total \$ '000	Current \$ '000	Non-current \$ '000	Total \$ '000
Secured						
Securitised notes (b)	37,786	74,092	111,878	22,165	49,672	71,837
Deferred debt issue costs	-	(1,889)	(1,889)	-	(1,150)	(1,150)
Total secured borrowings	37,786	72,203	109,989	22,165	48,522	70,687
Unsecured						
Redeemable preference shares (c)	89,555	190,237	279,792	68,158	181,393	249,551
Costs related to share issue	-	(658)	(658)	-	(564)	(564)
Total unsecured borrowings	89,555	189,579	279,134	68,158	180,829	248,987
Total borrowings	127,341	261,782	389,123	90,323	229,351	319,674

a. Contractual maturity analysis

Contractual maturities of financial liabilities	Not longer than 1 year \$ '000	Between 1 & 2 years \$ '000	Between 2 & 3 years \$ '000	Between 3 & 4 years \$ '000	Between 4 & 5 years \$ '000	Total contractual cash flows \$ '000	Carrying amount (assets)/liabilities \$ '000
At 31 December 2022							
Non-derivatives							
Securitised notes [^]	37,786	36,290	28,920	8,882	-	111,878	111,878
Redeemable preference shares	94,413	140,860	74,159	3,715	6,666	319,813	279,792
Total non-derivatives	132,199	177,150	103,079	12,597	6,666	431,691	391,670
At 30 June 2022							
Non-derivatives							
Securitised notes [^]	22,165	26,577	18,376	4,719	-	71,837	71,837
Redeemable preference shares	72,380	109,758	92,020	11,387	3,670	289,215	249,551
Total non-derivatives	94,545	136,335	110,396	16,106	3,670	361,052	321,388

[^] Securitised notes are at a floating rate, amortising, secured, limited recourse, pass-through debt security issued in registered form. Due to the 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 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. This facility provided diversification of funding source for the group and access to lower cost funding. The facility has no direct recourse to Investors Central Limited.

6. BORROWINGS (CONT)

On 17 December 2021 the Group established a second special purpose vehicle, the IC Trust Series 2021-2 and made a first draw under the facility of \$10.34 million. Fin One Pty Ltd and Finance One Commercial Pty Ltd assigned the rights of a specified pool of existing consumer and commercial loans to Perpetual Corporate Trust Ltd as an independent trustee, to raise approximately \$73 million from sophisticated investors issuing class A, B, C & D Notes over a seven-month period from December 2021 to June 2022. The facility is secured with a pool of loans with a total value as at 31 October 2021 of approximately \$85 million. Fin One Pty Ltd and Finance One Commercial Pty Ltd will initially hold all the A & D Notes with the A Notes being sold to investors each month from January 2022. As with the IC Trust Series 2021-1, this facility has no direct recourse to Investors Central Limited.

On 11 October 2022 the Group established a third special purpose vehicle, 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 notes over a four-month period from October 2022 to January 2023. The facility is secured with a pool of loans with a total value as at 31 July 2022 of approximately \$78 million. Fin One Pty Ltd and Finance One Commercial Pty Ltd will initially hold all the C and D Notes with the C notes being sold to investors each month from November 2022. As with the IC Trust Series 2021-2, 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 3.25% and 14.35% p.a. (June 2022: 2.75% and 14.35% p.a.) dependent on the fixed investment term and the principal investment amount.

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

- a. On a proposal which affects the rights attached to Preference Shares, to reduce the share capital of the Company, to wind up the Company or for the disposal of the whole of the property, business and undertaking of the Company;
- b. 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 2022 \$ '000	30 June 2022 \$ '000
Assets		
Cash at bank ^	64,786	51,822
Loan book ^	253,863	242,333
Debt book ^	552	-
Securitised Notes held by Finance One	20,210	9,140
	339,411	303,565
Liabilities		
Redeemable preference shares	279,792	249,551

^ excludes securitised amounts

7. CONTINGENCIES

The Group had no contingent liabilities at 31 December 2022 (30 June 2022: nil).

8. 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 2022 \$	31 December 2021 \$
Interest paid to directors on preference shares held	923,544	861,737
McGeachie Group Pty Ltd, McGeachie Property Pty Ltd and JEM Management Pty Ltd, companies associated with Jamie McGeachie a director of the company, provided corporate services, administration, accounting, business operation support services and rent.	815,543	1,445,183

9. EVENTS OCCURRING AFTER THE REPORTING PERIOD

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

Directors Declaration

In the directors' opinion:

- a. the interim financial statements and notes set out on pages 9 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 2022 and of its performance for the half year 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
03 May 2023



JESSUPS

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF INVESTORS CENTRAL LTD
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

TOWNSVILLE

1/211 Sturt Street Townsville QLD 4810
PO Box 1269 Townsville QLD 4810
T: +61 7 4755 3330

CAIRNS

8-9/320 Sheridan Street Cairns QLD 4870
PO Box 674 Cairns North QLD 4870
T: +61 7 40377 050

www.jessupsnq.com.au
info@jessupsnq.com.au

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 2022, 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 2022 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.



CHARTERED ACCOUNTANTS™
AUSTRALIA • NEW ZEALAND

Limited liability by a scheme approved under professional standards legislation.
Trademark of Chartered Accountants Australia and New Zealand and used with permission

A.B.N.: 99 194 967 950



JESSUPS

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 2022 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 3rd day of May 2023

Corporate Information



COMPANY

INVESTORS CENTRAL LIMITED
49 Dalrymple Road
Garbutt Qld 4814

PO Box 339
Hyde Park Castletown Qld 4812

Phone 1300 468 236
Fax 07 4723 5466
Email invest@investorscentral.net.au
Web www.investorscentral.net.au

COMPANY DIRECTORS

Executive Directors

Jamie McGeachie
Quinnton Cowen
Stephen Jones

Non-Executive Directors

Andrew Kemp
Joseph McShanag

SHARE REGISTRY

COMPUTERSHARE INVESTOR SERVICES PTY LIMITED
Level 1, 200 Mary Street
Brisbane Qld 4000

AUDITORS

JESSUPS
Level 1, 211 Sturt Street
Townsville Qld 4810

SOLICITORS

NEW ERA LAWYERS
Unit 2-3, 38 Burnett Street
Mooloolaba Qld 4557