

Central Victorian Investments Ltd

ABN 35 058 071 631

Financial Statements

For the Half Year Ended 31 December 2012

Central Victorian Investments Ltd

ABN 35 058 071 631

Contents

For the Half Year Ended 31 December 2012

	Page
Financial Statements	
Directors' Report	1 - 2
Auditor's Independence Declaration under Section 307C of the Corporations Act 2001	3
Statement of Comprehensive Income	4 - 5
Statement of Financial Position	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
Notes to the Financial Statements	9 - 21
Directors' Declaration	22
Independent Auditor's Report	23 - 24

Central Victorian Investments Ltd

ABN 35 058 071 631

Directors' Report

For the Half Year Ended 31 December 2012

Your directors present their report on Central Victorian Investments Ltd for the half year ended 31 December 2012.

Directors

The names of each person who has been a director during the half year and to the date of this report are:

Darrell John Fraser

John Arthur Cameron Nevett

Francis Damien Frawley

Peter Alexander Bain

Company secretary

The following person held the position of company secretary at the end of the half year: Brendan Gillett.

Principal activities

The principal activity of Central Victorian Investments Ltd during the half year was to act as an investment company.

No significant change in the nature of the entity's activity occurred during the half year.

Operating results

The profit of the company after providing for income tax amounted to \$285,209 (2011: \$308,016).

Dividends paid or recommended

Dividends paid or declared since the start of the half year are as follows:

- Ordinary share dividends paid during the year amounted to \$120,000 (2011: \$120,000).
- Preference share dividends paid during the year amounted to \$Nil (2011: \$18,000).

Review of operations

On the back of previously reported strong growth, circumstances within the finance and investment industry have altered and the company now reports a minor decrease in secured notes of 0.77% for the half year reported. This has been matched by a reduction of 1.65% in the company's loan book for the same period, meaning liquidity levels have been maintained. Moving forward the company is budgeting on some further reduction in the secured note levels, but again this will be closely monitored and matched with reductions in the loan book to ensure adequate levels of liquidity are maintained. This reduction in new lending has meant a reduced income from application fees and as such profit year to date is marginally down on the figure for the same time last year and on our own budgets.

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the company during the half year.

Matters or circumstances arising after the end of the year

No matters or circumstances have arisen since the end of the half year which significantly affected or could significantly affect the operations of the company, the results of those operations or the state of affairs of the company in future financial years.

Central Victorian Investments Ltd

ABN 35 058 071 631

Directors' Report
For the Half Year Ended 31 December 2012

Future developments and results

There are no specific likely developments in the operations of the company other than the continued diligent efforts to promote the business.

Environmental issues

The company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

Proceedings on behalf of company


No person has applied for leave of court to bring proceedings on behalf of the company or 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 any part of those proceedings.


The company was not a party to any such proceedings during the half year.

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the half year ended 31 December 2012 has been received and can be found on page 3 of the interim financial report.

Signed in accordance with a resolution of the Board of Directors:

Director:.....
John A C Nevett

Director:.....
Francis D Frawley

Dated 14 March 2013

Ballarat
21 Armstrong Street North
Ballarat, Victoria 3350

PO Box 44
Ballarat, Victoria 3353

T 03 5304 5700
F 03 5304 5750

Central Victorian Investments Ltd
ABN 35 058 071 631

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Central Victorian Investments Ltd

I declare that, to the best of my knowledge and belief, during the half year ended 31 December 2012, there have been:

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

WHK Western Victoria Audit Partnership
WHK Western Victoria Audit Partnership



John A Findlay
Audit Principal

Signed at Ballarat, this 14th day of March 2013

Casterton
Colac
Coleraine
Geelong
Hamilton
Ocean Grove
Portland
Stawell
Warrnambool
Werribee

ballarat@whk.com.au
www.whk.com.au

WHK Western Victoria
Audit Partnership
ABN 96 588 679 258

Central Victorian Investments Ltd

ABN 35 058 071 631

Statement of Comprehensive Income

For the Half Year Ended 31 December 2012

	31 December 2012 \$	31 December 2011 \$
Revenue		
Administration Fees	11,385	11,962
Application Fees	47,570	87,174
Commissions	3,336	-
Interest	3,311,989	3,310,451
Rental Income	32,636	35,619
Other income	1,312	-
	3,408,228	3,445,206
Expenses		
Accounting Fees	2,086	127
Advertising & Promotions	22,226	16,766
Annual Leave	4,018	(4,897)
Audit Fees	8,800	7,700
Bank Fees and Charges	2,861	3,956
Cleaning	417	42
Commission	66,485	53,255
Computer Expenses	15,262	25,613
Depreciation	16,814	13,909
Heat, Light & Power	2,006	(1,997)
Insurance	13,550	15,523
Interest	2,674,028	2,692,577
Licence & Registration Fees	2,033	422
Long Service Leave	4,793	1,688
Management Fees	4,400	4,400
Motor Vehicle Expenses	3,638	2,669
Office Repairs	1,356	5,025
Postage	3,313	2,687
Printing and Stationery	5,240	6,265
Sponsorships	6,360	2,200
Superannuation	8,320	8,594
Subscriptions	2,873	5,858
Telephone	1,486	2,324
Travel & Conference Expenses	1,631	3,645
Trustee Fees	14,520	13,475
Valuation Fees	-	129
Wages	110,613	92,872
	2,999,129	2,974,827

The accompanying notes form part of these financial statements.

Central Victorian Investments Ltd

ABN 35 058 071 631

Statement of Comprehensive Income

For the Half Year Ended 31 December 2012

	31 December 2012	31 December 2011
	\$	\$
Operating profit before income tax	409,099	470,379
Loss on disposal of available-for-sale financial assets	-	(28,700)
Profit before income tax	409,099	441,679
Income Tax Expense	(123,890)	(133,663)
Profit for the half year	285,209	308,016
Other comprehensive income:		
Revaluation increment on property	4,899	4,948
Available-for-sale financial asset adjustment	-	54,250
Tax effect on available-for-sale adjustment	-	(16,275)
Other comprehensive income for the half year, net of tax	4,899	42,923
Total comprehensive income for the half year	290,108	350,939

The accompanying notes form part of these financial statements.

Central Victorian Investments Ltd

ABN 35 058 071 631

Statement of Financial Position**As At 31 December 2012**

		31 December	30 June
		2012	2012
	Note	\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2	7,693,478	6,495,852
Receivables	3	323,701	329,201
Investments	4	11,010,000	12,010,000
Loans secured by mortgage	5	62,147,838	63,190,601
Other assets	6	5,804	18,116
Current tax receivable	16	-	29,440
TOTAL CURRENT ASSETS		81,180,821	82,073,210
NON-CURRENT ASSETS			
Property, plant and equipment	7	2,004,038	2,015,953
Deferred tax assets	16	14,284	13,552
Intangible assets	8	100,000	100,000
TOTAL NON-CURRENT ASSETS		2,118,322	2,129,505
TOTAL ASSETS		83,299,143	84,202,715
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	1,157,811	1,280,916
Debentures	10	75,601,805	76,472,100
Short-term provisions	11	19,292	15,274
Current tax liabilities	16	60,633	-
TOTAL CURRENT LIABILITIES		76,839,541	77,768,290
NON-CURRENT LIABILITIES			
Debentures	10	3,838,892	3,588,616
Long-term provisions	11	19,520	14,727
Deferred tax liabilities	16	135,150	135,150
TOTAL NON-CURRENT LIABILITIES		3,993,562	3,738,493
TOTAL LIABILITIES		80,833,103	81,506,783
NET ASSETS		2,466,040	2,695,932
EQUITY			
Issued capital	12	67,871	467,871
Reserves	13	739,711	734,812
Retained Earnings		1,658,458	1,493,249
TOTAL EQUITY		2,466,040	2,695,932

The accompanying notes form part of these financial statements.

Central Victorian Investments Ltd

ABN 35 058 071 631

Statement of Changes in Equity
For the Half Year Ended 31 December 2012

31 December 2012

	Ordinary Shares	Preference Shares	Retained Earnings	Available for Sale Investment Reserve	Asset Revaluation Reserve	Capital Reserve	Total
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2012	67,871	400,000	1,493,249	-	443,793	291,019	2,695,932
Comprehensive income attributable to members	-	-	285,209	-	4,899	-	290,108
Shares bought back during the year	-	(400,000)	-	-	-	-	(400,000)
Dividends paid	-	-	(120,000)	-	-	-	(120,000)
Balance at 31 December 2012	67,871	-	1,658,458	-	448,692	291,019	2,466,040

31 December 2011

	Ordinary Shares	Preference Shares	Retained Earnings	Available for Sale Investment Reserve	Asset Revaluation Reserve	Capital Reserve	Total
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2011	67,871	400,000	1,221,263	(52,381)	433,948	291,019	2,361,720
Comprehensive income attributable to members	-	-	308,016	37,975	4,948	-	350,939
Dividends paid	-	-	(138,000)	-	-	-	(138,000)
Balance at 31 December 2011	67,871	400,000	1,391,279	(14,406)	438,896	291,019	2,574,659

The accompanying notes form part of these financial statements.

Central Victorian Investments Ltd

ABN 35 058 071 631

Statement of Cash Flows

For the Half Year Ended 31 December 2012

	31 December 2012	31 December 2011
Note	\$	\$
CASH FROM OPERATING ACTIVITIES:		
Interest and fees received	3,412,416	3,413,707
Interest paid	(2,791,398)	(2,640,523)
Payments to suppliers and employees	(291,587)	(266,893)
Income tax paid (net)	(34,549)	(150,714)
Net cash provided by operating activities	17(a) <u>294,882</u>	<u>355,577</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of investment	-	500,000
Purchase of property, plant and equipment	-	(2,629)
Net movement in secured loans	<u>1,042,763</u>	<u>(3,541,697)</u>
Net cash used by investing activities	<u>1,042,763</u>	<u>(3,044,326)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Share buy-back payments	(400,000)	-
Dividends paid	(120,000)	(138,000)
Net movement in deposits	<u>(620,019)</u>	<u>5,893,598</u>
Net cash provided by financing activities	<u>(1,140,019)</u>	<u>5,755,598</u>
Net increase (decrease) in cash and cash equivalents held	197,626	3,066,849
Cash and cash equivalents at beginning of year	<u>18,505,852</u>	<u>11,716,039</u>
Cash and cash equivalents at end of the half year	17(b) <u>18,703,478</u>	<u>14,782,888</u>

The accompanying notes form part of these financial statements.

Central Victorian Investments Ltd

ABN 35 058 071 631

Notes to the Financial Statements

For the Half Year Ended 31 December 2012

The interim financial report covers Central Victorian Investments Ltd as an individual entity. Central Victorian Investments Ltd is a company limited by shares, incorporated and domiciled in Australia.

1 Summary of Significant Accounting Policies

Basis of preparation

This interim financial report for the half year reporting period ending 31 December 2012 has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: Interim Financial Reporting.

The interim financial report is intended to provide users with an update on the latest annual financial statements of Central Victorian Investments Ltd. As such it does not contain information that represents relatively insignificant changes occurring during the half year within Central Victorian Investments Ltd. This financial report does not include all the notes normally included in an annual financial report. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of Central Victorian Investments Ltd for the year ended 30 June 2012, together with any public announcements made during the half year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements and have been set out below.

(a) Income tax

The income tax expense (revenue) for the half year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the half year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the interim financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting half year. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary

Notes to the Financial Statements

For the Half Year Ended 31 December 2012

1 Summary of Significant Accounting Policies (continued)

(a) **Income tax (continued)**

difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(b) **Cash and cash equivalents and short term investments**

Cash and cash equivalents include cash on hand and deposits held at call with banks. For the purpose of the cash flow statement, cash and cash equivalents also includes other short-term highly liquid investments with original maturities of three months or less which are convertible to a known amount of cash and subject to an insignificant risk of change in value.

Short-term highly liquid investments are disclosed as investments in the statement of financial position and is further detailed in Note 4.

(c) **Loans secured by mortgage**

All loans secured by mortgage are recorded under Current Receivables, as they have been advanced on the basis that they are recoverable in full within 30 days of service by the mortgagee of written demand.

(d) **Provision for doubtful loans**

Under AASB 137: Provisions, Contingent Liabilities and Contingent Assets the company is prohibited from recognising a provision for future operating losses that have been construed as a general provision. The company has assessed loans in arrears and no specific provision was deemed to be necessary.

(e) **Financial Instruments**

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is the equivalent to the date that the company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in the statement of comprehensive income.

Notes to the Financial Statements

For the Half Year Ended 31 December 2012

1 Summary of Significant Accounting Policies (continued)

(f) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation.

Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against this reserve directly in equity; all other decreases are charged to the statement of comprehensive income.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses. Cost includes expenditure that is directly attributable to the asset.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows, which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the company includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Depreciation

The depreciable amount of all fixed assets including buildings, but excluding freehold land, is depreciated on a diminishing value or straight-line basis over the asset's useful life to the company commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Buildings	2% straight-line
Building revonations	5% diminishing value
Computer Software	25-40% straight-line
Plant and Equipment	10-50% diminishing value

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Notes to the Financial Statements

For the Half Year Ended 31 December 2012

1 Summary of Significant Accounting Policies (continued)

(g) Intangibles - Goodwill

Under AASB 3: Business Combinations, goodwill is capitalised to the balance sheet and subjected to an annual impairment test. Amortisation of goodwill is prohibited.

There was no impairment of goodwill in the half years ended 31 December 2012 and 31 December 2011.

(h) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(i) Employee benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting half year. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

Contributions are made by the company to an employee superannuation fund and are charged as expenses when incurred.

(j) Valuation of investments

The relevant Australian Accounting Standard is AASB 139 Financial Instruments: Recognition and Measurement. Financial instruments can basically be valued according to three separate criteria:

1. Financial assets bought and sold essentially as trading stock. These investments are always to be accounted for at market value with profits and losses taken directly to the statement of comprehensive income. AASB 139 clause 55(a).
2. Investments purchased on the basis that they will be held until maturity, and
3. Investments that are classified as "available for sale" but which are generally intended to be held for the long term, ie, not purchased for short term trading.

The values used in these figures are provided by various financial organisations which specialise in marketing financial products, and are the Mid Capital Price based on current trading of same or similar investments without inclusion of accrued interest.

Although some investment sales have taken place over the years, it has never been the intention or practice of Central Victorian Investments Limited to act as traders of financial assets and accordingly the company's investments should not be accounted for as if they were. Historically, investments have been considered as "available for sale" although most have been retained until maturity.

Notes to the Financial Statements

For the Half Year Ended 31 December 2012

1 Summary of Significant Accounting Policies (continued)

(j) Valuation of investments (continued)

AASB 139 clause 55(b) requires that gains or losses on "available for sale" investments be recognised directly in equity except for impairment losses as described in AASB 139 clauses 67 to 70, which should be taken directly to the statement of comprehensive income.

Fair value declines on financial assets categorised as "available for sale" may only be recognised directly in equity if they do not meet the criteria of "significant" or "prolonged" (AASB 139 para 61). If either of those criteria is satisfied the fair value decline is an impairment loss, with total decline in value since initial recognition to be recognised in the statement of comprehensive income. Any subsequent recovery in value is processed to the Available-for-sale investment reserve.

(k) Revenue and other income

The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of Central Victorian Investments Ltd's activities as discussed below.

Interest on Investments is recognised on a proportional basis taking into account interest rates applicable to financial assets. Interest on loans is accrued on a daily basis. Rental income is recognised in accordance with the lease agreement. Administration fees are recognised on a six monthly basis in arrears. Application fees are recognised on establishment of the loan.

(l) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(m) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current half year.

(n) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Central Victorian Investments Ltd

ABN 35 058 071 631

Notes to the Financial Statements

For the Half Year Ended 31 December 2012

2 Cash and Cash Equivalents

	31 December 2012	30 June 2012
	\$	\$
Cash at bank and in hand	<u>7,693,478</u>	<u>6,495,852</u>

3 Receivables

CURRENT

Accrued interest on investments

60,578 68,989

Accrued interest on loans

263,123 260,212

323,701 329,201

4 Investments

Held-to-maturity financial assets

11,010,000 12,010,000

Total current investments

11,010,000 12,010,000

Total non-current investments

- -

Total investments

11,010,000 12,010,000

CURRENT

Short Term Deposits - Banks/ADIs

Less than 3 months to maturity

11,010,000 12,010,000

Longer than 3 months to maturity

- -

Total current investments

11,010,000 12,010,000

Central Victorian Investments Ltd

ABN 35 058 071 631

Notes to the Financial Statements

For the Half Year Ended 31 December 2012

5 Loans Secured by Mortgage

	31 December 2012 \$	30 June 2012 \$
Loans secured by mortgage	62,147,838	63,190,601
Less: Provision for doubtful debts	-	-
	<u>62,147,838</u>	<u>63,190,601</u>

The loans above can be divided into the following segments:

Residential	34,955,286	34,506,612
Rural	7,583,899	9,556,296
Commercial	7,660,893	9,157,472
Subdivisional land	2,985,811	607,000
Industrial	2,153,703	2,668,875
Specialised accommodation	1,907,852	1,946,428
Construction/Development	4,900,394	4,747,918
Total	<u>62,147,838</u>	<u>63,190,601</u>

The entity holds security over the loans to the value of \$123,643,821 (30 June 2012: \$122,033,556).

6 Other Assets

CURRENT

Prepayments

	<u>5,804</u>	<u>18,116</u>
--	--------------	---------------

Notes to the Financial Statements

For the Half Year Ended 31 December 2012

7 Property, Plant and Equipment

	31 December 2012 \$	30 June 2012 \$
<i>LAND AND BUILDINGS</i>		
Freehold land		
At independent valuation	<u>1,520,000</u>	1,520,000
Building		
At independent valuation	<u>430,000</u>	430,000
Total land and buildings	<u>1,950,000</u>	<u>1,950,000</u>
<i>PLANT AND EQUIPMENT</i>		
Plant and equipment		
At cost	<u>269,857</u>	269,857
Accumulated depreciation	<u>(215,819)</u>	(203,904)
Total plant and equipment	<u>54,038</u>	<u>65,953</u>
Total property, plant and equipment	<u>2,004,038</u>	<u>2,015,953</u>

The revaluation of freehold land and buildings was based on the assessment of their current market value. The independent revaluation was carried out by Mr Alan J Hives, Dip Ag Sci, FAPI on 31 March 2010.

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current half year:

	Land \$	Buildings \$	Plant and Equipment \$	Total \$
Balance at 31 December 2012				
Balance at the beginning of half year	1,520,000	430,000	65,953	2,015,953
Revaluation increment	-	4,899	-	4,899
Depreciation expense	-	(4,899)	(11,915)	(16,814)
Balance at 31 December 2012	<u>1,520,000</u>	<u>430,000</u>	<u>54,038</u>	<u>2,004,038</u>
Balance at 30 June 2012				
Balance at the beginning of year	1,520,000	430,000	52,837	2,002,837
Additions	-	-	39,199	39,199
Disposals - written down value	-	-	(4,394)	(4,394)
Revaluation increment	-	9,845	-	9,845
Depreciation expense	-	(9,845)	(21,689)	(31,534)
Balance at 30 June 2012	<u>1,520,000</u>	<u>430,000</u>	<u>65,953</u>	<u>2,015,953</u>

Central Victorian Investments Ltd

ABN 35 068 071 631

Notes to the Financial Statements

For the Half Year Ended 31 December 2012

8 Intangible Assets

	31 December 2012 \$	30 June 2012 \$
Goodwill		
Contributory mortgage practice	100,000	100,000
Less accumulated amortisation	-	-
	<u>100,000</u>	<u>100,000</u>

Goodwill is allocated to cash-generating units which are based on the Group's loan and depositor segments. The recoverable amount of the cash-generating unit is determined based on value-in-use calculations.

9 Trade and Other Payables

CURRENT

Unsecured liabilities

Accrued interest on deposits	1,146,017	1,263,387
Sundry payables and accrued expenses	11,794	17,529
	<u>1,157,811</u>	<u>1,280,916</u>

10 Debentures

CURRENT

At Call	15,673,588	13,966,580
Not longer than 3 months	20,758,429	22,858,706
Longer than 3 and not longer than 12 months	39,169,788	39,646,814
	<u>75,601,805</u>	<u>76,472,100</u>

NON-CURRENT

Longer than 12 and not longer than 24 months	3,838,892	3,588,616
	<u>79,440,697</u>	<u>80,060,716</u>

Central Victorian Investments Ltd

ABN 35 058 071 631

Notes to the Financial Statements

For the Half Year Ended 31 December 2012

11 Provisions

Analysis of total provisions

	31 December 2012	30 June 2012
	\$	\$
Current	19,292	15,274
Non-current	19,520	14,727
	<u>38,812</u>	<u>30,001</u>
CURRENT		
Provision for annual leave	<u>19,292</u>	<u>15,274</u>
NON-CURRENT		
Provision for long service leave	<u>19,520</u>	<u>14,727</u>

12 Issued Capital

67,871 (June 2012: 67,871) Ordinary - fully paid	67,871	67,871
Nil (June 2012: 400,000) Preference - fully paid	-	400,000
	<u>67,871</u>	<u>467,871</u>

Notes to the Financial Statements

For the Half Year Ended 31 December 2012

13 Reserves

(a) **Asset Revaluation Reserve**

The Asset Revaluation Reserve accounts for the unrealised gains on assets due to revaluation to fair value.

(b) **Capital Reserve**

The Capital Reserve Account is maintained to preserve the Capital in the company following the redemption of Preference Shares out of Retained Profits.

(c) **Available-for-Sale Investments Reserve**

The Available for Sale Investments Reserve records the after-tax impairment impact of available-for-sale investments.

14 Contingent Liability

In the opinion of the Directors, the company did not have any contingencies at 31 December 2012 (31 December 2011:\$20,000).

Central Victorian Investments Ltd

ABN 35 058 071 631

Notes to the Financial Statements

For the Half Year Ended 31 December 2012

15 Income Tax Expense

(a) The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:

	31 December 2012	31 December 2011
	\$	\$
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2011: 30%)	<u>122,730</u>	<u>132,503</u>
Add:		
Tax effect of:		
- non-deductible depreciation	<u>1,160</u>	<u>1,160</u>
	<u><u>123,890</u></u>	<u><u>133,663</u></u>

(b) The components of tax expense comprise:

<i>Current tax expense</i>		
Current period tax liability	124,622	(53,129)
<i>Deferred tax expense</i>		
Net movement in deferred tax asset	<u>(732)</u>	<u>186,792</u>
	<u><u>123,890</u></u>	<u><u>133,663</u></u>

16 Tax

(a) Current Tax Asset

	31 December 2012	30 June 2012
	\$	\$
Current tax	<u>-</u>	<u>29,440</u>

(b) Current Tax Liability

Income tax payable	<u>60,633</u>	<u>-</u>
--------------------	---------------	----------

(c) Recognised deferred tax assets

Expenses not tax deductible until paid	2,640	4,552
Temporary timing differences	<u>11,644</u>	<u>9,000</u>
	<u><u>14,284</u></u>	<u><u>13,552</u></u>

(d) Recognised deferred tax liabilities

Deferred tax liability - asset revaluation	<u>135,150</u>	<u>135,150</u>
--	----------------	----------------

Central Victorian Investments Ltd

ABN 35 058 071 631

Notes to the Financial Statements

For the Half Year Ended 31 December 2012

17 Cash Flow Information

(a) Reconciliation of result for the half year to cashflows from operating activities

	31 December 2012	31 December 2011
	\$	\$
Profit for the half year	285,209	308,016
Cash flows excluded from profit attributable to operating activities:		
<i>Non-cash flows in profit:</i>		
- depreciation	16,814	13,909
- investment write-down	-	28,700
<i>Changes in assets and liabilities:</i>		
- (increase)/decrease in interest receivable	5,500	(31,499)
- decrease in prepayments	12,312	14,711
- (increase)/decrease in deferred tax receivable	(732)	133,664
- (decrease) in trade and other payables	(5,735)	(10,055)
- increase/(decrease) in income taxes payable	90,073	(150,714)
- increase/(decrease) in interest payable	(117,370)	52,054
- increase/(decrease) in employee benefits	8,811	(3,209)
Cashflow from operations	<u>294,882</u>	<u>355,577</u>

(b) Reconciliation of cash

Cash at the end of the financial half year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash and cash equivalents	7,693,478	3,772,888
Investments	11,010,000	11,010,000
	<u>18,703,478</u>	<u>14,782,888</u>

18 Company Details

The registered office of and principal place of business of the company is:

Central Victorian Investments Ltd
41 Lydiard Street South
Ballarat Vic 3350

Central Victorian Investments Ltd

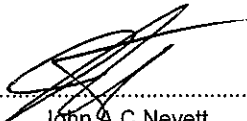
ABN 35 068 071 631

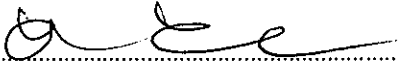
Directors' Declaration

The directors of the company declare that:

1. The interim financial statements and notes, as set out on pages 4 to 21 are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with Accounting Standard AASB 134: Interim Financial Reporting; and
 - (b) give a true and fair view of the company's financial position as at 31 December 2012 and of its performance for the half-year ended on that date.
2. In the directors' opinion, there are reasonable grounds to believe that the company 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 the Board of Directors.

Director

John A C Nevett

Director

Francis D Frawley

Dated 14 March 2013

Central Victorian Investments Ltd

ABN 35 058 071 631

Independent Auditor's Review Report to the members of Central Victorian Investments Ltd

We have reviewed the accompanying half-year financial report of Central Victorian Investments Ltd, which comprises the statement of financial position as at 31 December 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half year ended on that date, a statement of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation and fair presentation 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 and fair presentation of the half-year financial report that 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 financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2012 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 Central Victorian Investments 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.

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 Central Victorian Investments Ltd, would be in the same terms if given to the directors as at the time of this auditor's report.

Casterton

Colac

Coleraine

Geelong

Hamilton

Ocean Grove

Portland

Stawell

Warrnambool

Werribee

ballarat@whk.com.au

www.whk.com.au

WHK Western Victoria
Audit Partnership
ABN 96 588 679 258

Central Victorian Investments Ltd

ABN 35 058 071 631

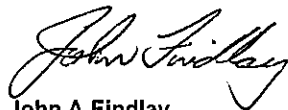
Independent Auditor's Review Report to the members of Central Victorian Investments Ltd

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 Central Victorian Investments Ltd is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting and Corporations Regulations 2001*.

WVK Western Victoria Audit Partnership
WVK Western Victoria Audit Partnership



John A Findlay
Audit Principal

Signed at Ballarat, this 14th day of March 2013