

Central Victorian Investments Ltd

ABN 35 058 071 631

Financial Statements

For the Half Year Ended 31 December 2022

Central Victorian Investments Ltd
ABN: 35 058 071 631

Directors' report

For the Half Year Ended 31 December 2022

The directors present their report, together with the financial statements, on Central Victorian Investments Ltd ("CVI") for the half year ended 31 December 2022.

Directors

The following persons were directors of CVI during the half year and up to the date of this report, unless otherwise stated:

David Peter Draper
Francis Damien Frawley
Mark Andrew Harrison Bain
Peter John Catramados
Dominic Peter Dunne

Company Secretary

Brendan Gillett held the position of company secretary at the end of the half year. He has been the company secretary since 2005. Prior to this role, Brendan was employed in the Business and Finance Sector from 1983 to 1999 and was a Business Development Manager from 1999 until being appointed by CVI.

Principal activities

The principal activity of CVI during the financial the half year was to act as an investment company.

CVI's business model is to raise funds from investors through the issue of secured notes to provide for CVI's principal activity, which is to lend these funds on the security of registered first mortgages over titles to real property principally in Victoria, and to invest in other investments as permitted by the trust deed. CVI's profits are derived primarily from the difference between its average interest rate on mortgage loans and investments of liquid funds and the average rate of interest paid to our secured note holders. Secured note holders do not participate in profits of CVI, but receive a rate of return on their investments.

There has been no significant change in the nature of CVI's activities during the half year.

Operating results

The profit of CVI for the half year after providing for income tax amounted to \$1,457,853 (2021: \$590,014).

Dividends paid or recommended

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

- Ordinary share dividends paid during the half year amounted to \$293,578 (2021: \$193,214).

Review of operations

Overall, Central Victorian Investments Ltd has had a very profitable start to the 2023 year.

The liquidity position remains above the board's targeted range at conclusion of the first half of the year, with depositor funds increasing by 12.5% for the six-month period, offset by a 2.53% increase in loans under management. Margins have increased as a result of Reserve Bank of Australia (RBA) increasing the cash rate, that in turn has increased the profitability. We will continue to attempt to find more quality, non-construction type lending opportunities to reduce the liquidity position of the company. The directors do not expect any losses on investments and are expecting continued profitability.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of CVI during the half year.

Matters subsequent to the end of the half year

Details are included in note 20 of the financial statements.

Likely developments and expected results of operations

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

Environmental regulation

CVI's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory of Australia.

Shares

There were no unissued ordinary shares of CVI under option outstanding at the date of this report.

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Directors' report
For the Half Year Ended 31 December 2022

Shares issued on the exercise of options

There were no ordinary shares issued on the exercise of options during the period ended 31 December 2022 and up to the date of this report.

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 CVI, or to intervene in any proceedings to which CVI is a party for the purpose of taking responsibility on behalf of CVI 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 immediately after this directors' report.

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



Francis Damien Frawley

Dominic Peter Dunne

Dated this ¹⁷ day of ^{Feb} 2023

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Statement of profit or loss and other comprehensive income
 For the half year ended 31 December 2022

	Note	31 December 2022 \$	31 December 2021 \$
Administration fees		14,685	12,375
Application fees		210,579	284,923
Interest		4,329,524	2,511,466
Rental income		55,825	55,016
Total revenue		4,610,613	2,863,780
Accounting fees		8,004	7,750
Advertising & promotions		32,846	20,395
Annual leave		1,340	2,605
Audit fees		17,004	16,750
Bank fees and charges		6,792	3,493
Cleaning		2,283	2,008
Commission		61,857	45,527
Computer expenses		20,075	19,917
Depreciation		12,367	9,833
Fringe benefits tax		-	1,016
Heat, light, power & utilities		2,379	1,389
Insurance		68,334	61,224
Interest		2,029,210	1,460,075
Legal fees		6,270	2,795
Licence & registration fees		4,552	3,206
Long service leave		7,108	3,928
Motor vehicle expenses		4,890	1,407
Office repairs		22,861	27,283
Postage		5,462	4,824
Printing and stationery		6,102	6,040
Sponsorships		12,012	4,499
Superannuation – Staff		19,073	16,154
Superannuation – Directors		6,300	6,400
Subscriptions		7,327	5,544
Sundry expenses		(567)	1,896
Telephone		2,415	2,379
Travel & conference expenses		18,749	3,000
Trustee fees		89,102	83,227
Wages – Staff		200,375	181,106
Wages – Directors		60,000	70,600
Total expenses		2,734,522	2,076,270
Operating profit before income tax expense		1,876,091	787,510
Legal recovery from CDO's previously written off as a bad debt		71,630	-
Profit for the half year before income tax		1,947,721	787,510
Income Tax Expense	16	(489,868)	(197,496)
Profit after income tax expense for the half year		1,457,853	590,014
Other comprehensive income, net of income tax		-	-
Total comprehensive income for the half year attributable to the members of the company		1,457,853	590,014

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

Statement of Financial Position
 As at 31 December 2022

	Note	31 December 2022 \$	30 June 2022 \$
Assets			
Current assets			
Cash and cash equivalents	2	23,877,298	10,282,977
Receivables	3	435,287	288,985
Financial assets	4	16,010,000	16,010,000
Loans secured by mortgage	5	99,886,249	97,420,565
Other assets	6	30,340	95,338
Total current assets		140,239,174	124,097,865
Non-current assets			
Property, plant and equipment	7	1,383,040	1,396,407
Investment property	8	1,100,000	1,100,000
Deferred tax assets	17	35,494	33,605
Intangible assets	9	100,000	100,000
Total non-current assets		2,618,534	2,630,012
Total assets		142,857,708	126,726,877
Liabilities			
Current liabilities			
Trade and other payables	10	1,120,803	744,203
Debentures	11	112,929,326	95,329,056
Provisions	12	94,915	80,679
Tax liabilities	17	269,752	176,444
Total current liabilities		114,414,796	96,330,382
Non-current liabilities			
Debentures	11	16,636,787	19,756,357
Provisions	12	10,144	8,432
Deferred tax liabilities	17	252,152	252,152
Total non-current liabilities		16,899,083	20,016,941
Total liabilities		131,313,879	116,347,323
Net assets		11,543,829	10,379,554
Equity			
Issued capital	13	2,711,196	2,711,196
Reserves	14	803,557	803,557
Retained Earnings		8,029,076	6,864,801
Total equity		11,543,829	10,379,554

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

Statement of changes in equity

For the half year ended 31 December 2022

31 December 2022	Note	Ordinary Shares \$	Retained Earnings \$	Asset Revaluation Reserve \$	Total \$
Balance at 1 July 2022		2,711,196	6,864,801	803,557	10,379,554
Profit after income tax		-	1,457,853	-	1,457,853
Shares issued during the half year	13	-	-	-	-
Effect on revaluation reserve from change in tax rate		-	-	-	-
Effect on revaluation reserve from property valuation		-	-	-	-
Dividends paid		-	(293,578)	-	(293,578)
Balance at 31 December 2022		<u>2,711,196</u>	<u>8,029,076</u>	<u>803,557</u>	<u>11,543,829</u>

31 December 2021	Note	Ordinary Shares \$	Retained Earnings \$	Asset Revaluation Reserve \$	Total \$
Balance at 1 July 2021		2,527,922	5,555,473	662,988	8,746,383
Profit after income tax		-	590,014	-	590,014
Shares issued during the half year	13	33,249	-	-	33,249
Effect on revaluation reserve from change in tax rate		-	-	6,600	6,600
Dividends paid		-	(193,214)	-	(193,214)
Balance at 31 December 2021		<u>2,561,171</u>	<u>5,952,273</u>	<u>669,588</u>	<u>9,183,032</u>

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

Statement of cash flows
 For the half year ended 31 December 2022

	Note	31 December 2022 \$	31 December 2021 \$
Cash flows from operating activities			
Interest and fees received		4,537,356	2,811,084
Interest paid		(1,644,764)	(1,491,722)
Payments to suppliers and employees		(621,260)	(520,281)
Income tax paid (net)		(398,449)	(150,646)
Net cash provided by operating activities	19(a)	<u>1,872,883</u>	<u>648,435</u>
Cash flows from investing activities			
Purchase of property, plant and equipment		-	(18,413)
Net movement in secured loans		(2,465,684)	(11,861,687)
Net cash used in investing activities		<u>(2,465,684)</u>	<u>(11,880,100)</u>
Cash flows from financing activities			
Dividends paid		(293,578)	(193,214)
Net movement in deposits		14,480,700	7,330,484
Net cash provided by financing activities		<u>14,187,122</u>	<u>7,137,270</u>
Net (decrease)/increase in cash and cash equivalents held		13,594,321	(4,094,395)
Cash and cash equivalents at beginning of half year		26,292,977	40,663,168
Cash and cash equivalents at the end of the half year	19(b)	<u>39,887,298</u>	<u>36,568,773</u>

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

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Notes to the Financial Statements

For the Half Year Ended 31 December 2022

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

Note 1: Summary of Significant Accounting Policies

Basis of preparation

This general purpose interim financial report for the half year reporting period ending 31 December 2022 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 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 2022, together with any public announcements made during the 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.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial statements containing relevant and reliable information about transactions, events and conditions.

Notes to the Financial Statements

For the Half Year Ended 31 December 2022

(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 directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

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 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 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 statement of cash flows, 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 are 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

The company has assessed loans in arrears and no specific provision was deemed to be necessary.

Notes to the Financial Statements

For the Half Year Ended 31 December 2022

(e) Financial instruments

Classification

On initial recognition, the company classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through other comprehensive income - debt investments (FVOCI - debt)

Financial assets are not reclassified subsequent to their initial recognition unless the company changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Fair value through other comprehensive income

The company has debt securities which are held within a business model whose objective is achieved by collecting contractual cash flows. The contractual terms of the debt securities give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at fair value. Interest income calculated using the effective interest rate method, foreign exchange gains and losses and impairment are recognised in profit or loss.

Other gains or losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

The Company's debt instruments assets measured at FVOCI - debt are comprised of loans secured by mortgage in the statement of financial position.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis.

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the company's historical experience and informed credit assessment and including forward looking information.

The company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk. The company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Impairment on non-financial assets

Impairment of trade receivables and contract assets have been determined using the simplified approach which uses an estimation of lifetime expected credit losses. As a result, no provision has been made.

Notes to the Financial Statements

For the Half Year Ended 31 December 2022

(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.

All freehold land and buildings are recognised in the statement of financial position under property, plant and equipment as the land buildings are integral to the ongoing operations of the company. Periodically rental income is earned from leasing part of the Company's land and buildings but this rental income is considered incidental to the primary strategic purpose of retaining the asset.

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. 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.

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 which are consistent with the prior year are:

Buildings	2.5% straight-line
Computer Software	25-50% 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.

(g) Investment Property

Investment property is held to generate long-term rental yields and capital growth. Investment property is carried at fair value, as determined by independent valuers. Changes to fair value are recorded in the statement of comprehensive income as other income/expenses.

(h) Intangible assets – 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 2022 and 31 December 2021.

(i) 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.

Notes to the Financial Statements

For the Half Year Ended 31 December 2022

(j) 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 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

(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:

- Loan interest is calculated and accrued on the daily balance outstanding and is charged in arrears to a member's account on the last day of each month.
- Interest on Investments is recognised on a proportional basis taking into account interest rates applicable to financial assets.
- 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 financial year.

(n) Goods and services tax (GST)

As a financial institution, CVI is input taxed on all revenue except for revenue from commissions, rents and some fees. An input taxed supply is not subject to GST collection and similarly the GST paid on related or apportioned purchases cannot be recovered. As some income is charged GST, the GST on purchases are generally recovered on a proportionate basis. In addition certain prescribed purchases are subject to reduced input tax credits ('RITC'), of which 75% of the GST paid is recoverable.

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.

Notes to the Financial Statements

For the Half Year Ended 31 December 2022

(o) Critical accounting estimates and judgments

Management has been involved in the development, selection and disclosure of the Company's critical accounting policies and estimates and the application of these policies and estimates. In particular, information about 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 in the following notes:

- Note 5 - Loans Secured by Mortgage - provision for estimated credit losses assessment
- Note 7 - Property, Plant and Equipment - fair value assessment
- Note 9 - Intangible Asset - fair value assessment - recoverable amount

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements. However, as additional information is known then the actual results may differ from the estimates.

(p) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on 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; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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Notes to the financial statements
For the Half Year Ended 31 December 2022

	31 December 2022	30 June 2022
	\$	\$
Note 2: Cash and cash equivalents		
Cash at bank and in hand	<u>23,877,298</u>	<u>10,282,977</u>
Note 3: Receivables		
<i>Current</i>		
Accrued interest on investments	62,908	13,344
Accrued interest on loans	<u>372,379</u>	<u>275,641</u>
	<u>435,287</u>	<u>288,985</u>
Note 4: Financial assets		
<i>Current</i>		
Short term deposits held with banks/ADIs with less than 3 months to maturity	<u>16,010,000</u>	<u>16,010,000</u>
Note 5: Loans Secured by Mortgage		
<i>Current</i>		
Loans secured by mortgage	99,886,249	97,420,565
Less: provision for expected credit losses	-	-
	<u>99,886,249</u>	<u>97,420,565</u>
The loans above can be divided into the following segments:		
Residential	60,387,309	54,647,774
Rural	7,168,683	8,177,894
Commercial	5,165,436	3,600,266
Subdivisional land	6,386,679	1,438,896
Industrial	4,652,375	5,947,261
Specialised accommodation	2,060,169	5,127,436
Construction/Development	<u>14,065,598</u>	<u>18,481,038</u>
	<u>99,886,249</u>	<u>97,420,565</u>
CVI holds security over the loans to the value of \$244,024,307 (30 June 2022: \$228,084,379).		
Note 6: Other Assets		
<i>Current</i>		
Prepayments	<u>30,340</u>	<u>95,338</u>

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**Notes to the financial statements
 For the Half Year Ended 31 December 2022**

	31 December 2022 \$	30 June 2022 \$
Note 7: Property, plant and equipment		
<i>Non-current</i>		
LAND AND BUILDINGS		
Freehold land		
At fair value (valuation: 6 April 2022)	<u>850,000</u>	850,000
	850,000	850,000
Buildings		
At fair value (valuation: 6 April 2022)	500,000	500,000
Less: accumulated depreciation	<u>(9,247)</u>	(2,945)
Total buildings	490,753	497,055
Total land and buildings	1,340,753	1,347,055
PLANT AND EQUIPMENT		
Plant and equipment - at cost	335,784	335,784
Less: accumulated depreciation	<u>(293,497)</u>	(286,432)
Total plant and equipment	42,287	49,352
Total property, plant and equipment	1,383,040	1,396,407

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 as at 1 July 2022	850,000	497,055	48,352	1,395,407
Depreciation expense	-	(6,302)	(6,065)	(12,367)
Balance at 31 December 2022	<u>850,000</u>	<u>490,753</u>	<u>42,287</u>	<u>1,383,040</u>

Historical cost

If land and buildings were stated under the historical cost convention, the amounts would be as follows:

	31 December 2022 \$	30 June 2022 \$
Land at cost	250,000	250,000
Buildings at cost	266,215	266,215
Less: Accumulated depreciation	<u>(123,343)</u>	(120,681)
Net Book Value	392,872	395,534

The revaluation of freehold land and buildings was based on the assessment of their current market value and the asset's highest and best use. The independent revaluation was carried out by Mr Darren Evans, Director, AAPI Member No: 62322, CPV & Mr Peter Murphy, Director, AAPI Member No: 62963, CPV, on 6 April 2022 and applied effective 6 April 2022.

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Notes to the financial statements
For the Half Year Ended 31 December 2022

	31 December 2022	30 June 2022
	\$	\$
Note 8: Investment Property		
<i>Non-current</i>		
Balance at beginning of year	970,000	970,000
Fair value adjustments	130,000	130,000
Balance at end of half year	<u>1,100,000</u>	<u>1,100,000</u>

The revaluation of investment property was based on the assessment of their current market value and the asset's highest and best use. The independent revaluation was carried out by Mr Darren Evans, Director, AAPI Member No: 62322, CPV & Mr Peter Murphy, Director, AAPI Member No: 62963, CPV, on 6 April 2022 and applied effective 6 April 2022.

Note 9: Intangible Assets

<i>Non-current</i>		
Goodwill - contributory mortgage practice	<u>100,000</u>	<u>100,000</u>

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

Note 10: Trade and Other Payables

<i>Current</i>		
<i>Unsecured liabilities</i>		
Accrued interest on deposits	1,085,505	701,059
Sundry payables and accrued expenses	35,298	43,144
	<u>1,120,803</u>	<u>744,203</u>

Note 11: Debentures

<i>Current</i>		
Not longer than 3 months	20,518,078	22,157,020
Longer than 3 and not longer than 12 months	92,411,248	73,172,036
	<u>112,929,326</u>	<u>95,329,056</u>
<i>Non-current</i>		
Longer than 12 and not longer than 24 months	16,636,787	19,756,357
	<u>129,566,113</u>	<u>115,085,413</u>

Note 12: Provisions

<i>Current</i>		
Provision for annual leave	27,520	26,180
Provision for long service leave	59,895	54,499
Other provisions	7,500	-
	<u>94,915</u>	<u>80,679</u>
<i>Non-current</i>		
Provision for long service leave	10,144	8,432

Note 13: Issued Capital

Ordinary – fully paid	<u>2,711,196</u>	<u>2,711,196</u>
	No.	No.
At the beginning of the reporting period	110,692	109,002
Shares issued during the year	-	1,690
At the end of the reporting period	<u>110,692</u>	<u>110,692</u>

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the company. On a show of hands at meetings of the company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote.

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Notes to the financial statements
For the Half Year Ended 31 December 2022

Note 14: Reserves

Asset Revaluation Reserve

The asset revaluation reserve accounts for the unrealised gains on assets due to revaluation to fair value.

Note 15: Contingent Assets & Liabilities

In the opinion of the directors, CVI did not have any contingencies at 31 December 2022 (31 December 2021:nil).

	31 December 2022	31 December 2021
	\$	\$
Note 16: Income tax expense		
(a) <i>The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:</i>		
Prima facie tax payable on profit from ordinary activities before income tax at 25%	486,931	196,878
Tax effect of:		
- non-deductible depreciation	2,937	(288)
- effect of corporate rate change on deferred tax liability	-	(400)
- effect of corporate rate change on deferred tax assets	-	1,306
Income tax expense	489,868	197,496
(b) <i>The components of tax expense comprise:</i>		
<i>Current Tax Expense</i>		
Current period tax liability	491,758	195,319
<i>Deferred Tax Expense</i>		
Net movement in deferred tax asset	(1,890)	2,577
Net movement in deferred tax liability	-	(400)
Total income tax expense	489,868	197,496

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Notes to the financial statements
For the Half Year Ended 31 December 2022

Note 17 : Tax

(a) *Current tax liability*
Income Tax Payable

31 December	30 June
2022	2022
\$	\$
269,752	176,444

(b) *Recognised deferred tax assets*
Expenses not tax deductible until paid
Temporary timing differences

24,390	22,278
11,104	11,327
35,494	33,605

(c) *Recognised deferred tax liabilities*
Deferred tax liability - asset revaluation

252,152	252,152
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Central Victorian Investments Ltd

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Notes to the financial statements

For the Half Year Ended 31 December 2022

Note 18: Fair Value Measurement

The company measures the following assets and liabilities at fair value on a recurring basis:

- Property, plant and equipment
- Investment property

Fair value hierarchy

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a level in the fair value hierarchy as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability. Level 2 Level 3

The table below shows the assigned level for each asset and liability held at fair value:

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
31 December 2022				
Property, plant and equipment - land and buildings	-	1,350,000	-	1,350,000
Investment property	-	1,100,000	-	1,100,000
	-	<u>2,450,000</u>	-	<u>2,450,000</u>
30 June 2022				
Property, plant and equipment - land and buildings	-	1,350,000	-	1,350,000
Investment property	-	1,100,000	-	1,100,000
	-	<u>2,450,000</u>	-	<u>2,450,000</u>

Level 2 measurements

The revaluation of freehold land and buildings and investment property was based on the assessment of their current market value and the asset's highest and best use. The independent revaluation was carried out by Mr Darren Evans, Director, AAPI Member No: 62322, CPV & Mr Peter Murphy, Director, AAPI Member No: 62963, CPV, on 6 April 2022 and applied effective 6 April 2022.

Highest and best use

The current use of each asset measured at fair value is considered to be its highest and best use.

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Notes to the financial statements
For the Half Year Ended 31 December 2022

	31 December 2022 \$	31 December 2021 \$
Note 19: Cash flow information		
<i>(a) Reconciliation of result for the half year to cashflows from operating activities</i>		
Profit for the half year	1,457,853	590,014
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	12,367	9,833
- share options expensed	-	33,249
Changes in assets and liabilities:		
- (increase)/decrease in receivables	(144,886)	(52,696)
- (increase)/decrease in other assets	64,998	59,196
- (increase)/decrease in deferred tax assets	(1,890)	2,177
- increase/(decrease) in trade and other payables	375,185	(38,803)
- increase/(decrease) in deferred tax liabilities	93,308	44,673
- increase/(decrease) in employee benefits	15,948	792
Cashflow from operations	<u>1,872,883</u>	<u>648,435</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:

	Note		
Cash and cash equivalents	2	23,877,298	14,558,773
Investments	4	16,010,000	22,010,000
		<u>39,887,298</u>	<u>36,568,773</u>

Note 20: Events after the reporting period

No matters or circumstances have arisen since the end of the reporting period, which have significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future reporting periods

Note 21: 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

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Directors' Declaration

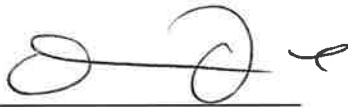
The Directors of the Company declare that:

1. The interim financial statements and notes, as set out on pages 5 to 21 are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with Australian 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 2022 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.



Francis Damien Frawley
Director



Dominic Peter Dunne
Director

Dated this 17th day of ... Feb ... 2023

Central Victorian Investments Ltd

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Independent auditor's report

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Independent auditor's report

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