

# Oakley Thompson & Co.

Solicitors and Consultants

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15 March 2002

Attention: Mr George Wyatt, Trading Manager  
Bendigo Stock Exchange

Dear Sirs,

**RE: VICTORIAN LIVESTOCK EXCHANGE LIMITED**

We refer to our abovenamed client and enclose:

1. Annexure 3A dated 14 March 2002.
2. Directors' Declaration dated 14 March 2002.
3. Directors' Report dated 14 March 2002
4. Independent Review Report of Ernst & Young dated 15 March 2002.

Yours faithfully  
**OAKLEY THOMPSON & CO.**

  
**M.J. QUINNERT**

encls.



# SUBJECT TO REVIEW Annexure 3A

## BSX Listing Rules

## Half yearly/Yearly Disclosure

References Issued 30/8/2000

### Chapter 3, BSX Listing Rules

#### VICTORIAN LIVESTOCK EXCHANGE LIMITED

Name of entity

72 078 839 031

Half yearly (tick)

31 December 2001

ABN, ACN or ARBN

Annual (tick)

Half year/financial year-ended  
(Current period)

#### Summary

Sales revenue or operating revenue	up/down	0.6%	to	696	\$A,000
Profit (loss) before abnormal items and after tax	up/down	65.0%	to	(28)	
Abnormal items before tax					
Profit (loss) after tax but before outside equity interests	up/down	65.0%	to	(28)	
Extraordinary items after tax attributable to members					
Profit (loss) for the period attributable to members	up/down	65.0%	to	(28)	

Dividends (distributions)	Franking rate applicable	NA
Current period	Final	NA¢ Nil¢
Previous corresponding period	Interim	NA¢ Nil¢
	Final	NA¢ Nil¢
	Interim	NA

Record date for determining entitlements to the dividend, (in the case of a trust distribution)

NA

Date 30/8/2000

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### Annexure 3A Half Yearly/Yearly Disclosure

Short details of any bonus or cash issue or other items(s) of importance not previously released to BSX.

642,800 shares were subscribed for and allotted on 13 August 2001. A total of \$707,080 cash was raised from the public offer.

#### Consolidated profit and loss account

	Current period \$A'000	Previous corresponding period \$A'000
Sales revenue or operating revenue	696	692
Expenses from ordinary activities	(551)	(602)
Borrowing costs	(180)	(208)
Share of net profit (loss) of associates and joint venture entities	Nil	Nil
Profit (loss) from ordinary activities before tax	(35)	(118)
Income tax on ordinary activities	7	38
Profit (loss) from ordinary activities after tax	(28)	(80)
Outside equity interests	Nil	Nil
Profit (loss) from ordinary activities after tax attributable to members	(28)	(80)
Profit (loss) from extraordinary activities after tax attributable to members	Nil	Nil
Profit (loss) for the period attributable to members	(28)	(80)
Retained profits (accumulated losses) at the beginning of the financial period	(187)	(24)
Net transfers to and from reserves	Nil	Nil
Net effect of changes in accounting policies	Nil	Nil
Dividends paid or payable	Nil	Nil
Retained profits (accumulated losses) at end of financial period	(215)	(104)

Profit restated to exclude amortisation of goodwill

### Annexure 3A Half Yearly/Yearly Disclosure

	Current period \$A'000	Previous corresponding period \$A'000
Profit (loss) from ordinary activities after tax before outside equity interests and amortisation of goodwill	(28)	(80)
Less (plus) outside equity interests	Nil	Nil
Profit (loss) from ordinary activities after tax (before amortisation of goodwill) attributable to members	(28)	(80)

#### Revenue and expenses from operating activities

	Current period \$A'000	Previous corresponding period \$A'000
Details of revenue and expenses		
<b>REVENUE:</b>		
Weigh fees & store sales	485	357
Droving Fees	67	57
Auctioneers Fees	25	26
Truckwash Fees	55	42
Revenue from sale of land	Nil	165
Other revenue	64	45
<b>TOTAL REVENUE</b>	<b>696</b>	<b>692</b>
<b>EXPENSES:</b>		
Cost of sales	Nil	143
Depreciation and amortisation	150	146
Borrowing costs expense	180	208
Salaries and employee benefits expense	166	169
Other expenses from ordinary activities	235	144
<b>TOTAL EXPENSES</b>	<b>731</b>	<b>810</b>

#### Intangible and extraordinary items

	Consolidated - current period		
	Before tax \$A'000	Related tax \$A'000	After tax \$A'000
Amortisation of goodwill	Nil	Nil	Nil
Amortisation of other intangibles	11	Nil	11
<b>Total amortisation of intangibles</b>	<b>11</b>	<b>Nil</b>	<b>11</b>
Extraordinary items (details)	Nil	Nil	Nil
<b>Total extraordinary items</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

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### Annexure 3A Half Yearly/Yearly Disclosure

#### Comparison of half year profits (Annual statement only)

	Current year - \$A'000	Previous year - \$A'000
Consolidated profit (loss) from ordinary activities after tax attributable to members reported for the 1st half year		
Consolidated profit (loss) from ordinary activities after tax attributable to members for the 2nd half year		

#### Consolidated balance sheet

	At end of current period \$A'000	As shown in last annual report \$A'000	As in last half yearly statement \$A'000
<b>Current assets</b>			
Cash	Nil	172	31
Receivable	184	355	266
Investments	Nil	Nil	Nil
Inventories	315	305	610
Other (provide details if material)	5	151	10
<b>Total current assets</b>	<b>504</b>	<b>983</b>	<b>917</b>
<b>Non-current assets</b>			
Receivables	Nil	Nil	Nil
Investments	Nil	Nil	18
Inventories	Nil	Nil	Nil
Other property, plant and equipment (net)	6,324	6,420	6,546
Intangibles (net)	195	206	118
Other (provide details if material)	261	234	165
<b>Total non-current assets</b>	<b>6,780</b>	<b>6,860</b>	<b>6,847</b>
<b>Total assets</b>	<b>7,284</b>	<b>7,843</b>	<b>7,764</b>
<b>Current liabilities</b>			
Accounts payable	75	155	217
Borrowings	128	63	78
Provisions	6	7	7

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### Annexure 3A Half Yearly/Yearly Disclosure

Other (provide details if material)	2	167	Nil
<b>Total current liabilities</b>	211	392	302
<b>Non-current liabilities</b>			
Accounts payable	Nil	Nil	Nil
Borrowings	4,000	4,900	5,000
Provisions	Nil	Nil	40
Other (provide details if material)	210	188	126
<b>Total non-current liabilities</b>	4,210	5,088	5,166
<b>Total liabilities</b>	4,421	5,480	5,468
<b>Net assets</b>	2,863	2,363	2,296
<b>Equity</b>			
Capital	3,078	2,550	2,400
Reserves	Nil	Nil	Nil
Retained profits (accumulated losses)	(215)	(187)	(104)
Equity attributable to members of the parent entity	2,863	2,363	2,296
Outside equity interests in controlled entities	Nil	Nil	Nil
<b>Total equity</b>	2,863	2,363	2,296
Preference capital and related premium included	Nil	Nil	Nil

### Consolidated statement of cash flows

Cash flows related to operating activities	Current period \$A'000	Previous corresponding period \$A'000
Receipts from customers	871	733
Payments to suppliers and employees	(480)	(518)
Dividends received	Nil	Nil
Interest and other items of similar nature received	Nil	Nil
Interest and other costs of finance paid	(188)	(208)
Income taxes paid	Nil	Nil
Other (provide details if material)	Nil	Nil
<b>Net operating cash flows</b>	203	7
<b>Cash flows related to investing activities</b>		

Date 30/08/2000

### Annexure 3A Half Yearly/Yearly Disclosure

<b>activities</b>			
Payments for purchases of property, plant and equipment	(42)	(18)	
Proceeds from sale of property, plant and equipment	NII	NII	
Payment for purchases of equity investments	NII	NII	
Proceeds from sale of equity investments	NII	NII	
Loans to other entities	NII	NII	
Loans repaid by other entities	NII	NII	
Other (provide details if material)	NII	NII	
<b>Net investing cash flows</b>	<b>(42)</b>	<b>(18)</b>	
<b>Cash flows related to financing activities</b>			
Proceeds from issues of securities (shares, options, etc.)	502	NII	
Proceeds from borrowings	NII	NII	
Repayment of borrowings	(900)	NII	
Dividends paid	NII	NII	
Other (provide details if material)		NII	
<b>Net financing cash flows</b>	<b>(398)</b>	<b>NII</b>	
<b>Net increase (decrease) in cash held</b>	<b>(237)</b>	<b>(11)</b>	
Cash at beginning of period (see Reconciliation of cash)	109	(36)	
Exchange rate adjustments	NII	NII	
<b>Cash at end of period (see Reconciliation of cash)</b>	<b>(128)</b>	<b>(47)</b>	

#### Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. If an amount is quantified, show comparative amount.

None

### Annexure 3A Half Yearly/Yearly Disclosure

#### Reconciliation of cash

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current period \$A'000	Previous corresponding period \$A'000
Cash on hand and at bank	Nil	31
Deposits at call	Nil	Nil
Bank overdraft	(128)	(78)
Other (provide details)	Nil	Nil
<b>Total cash at end of period</b>	<b>(128)</b>	<b>(47)</b>

#### Ratios

	Current period	Previous corresponding period
<b>Profit before tax/sales</b>		
Consolidated profit (loss) from ordinary activities before tax as a percentage of sales revenue	(5.0%)	(17.1%)
<b>Profit after tax/equity interests</b>		
Consolidated profit (loss) from ordinary activities after tax attributable to members as a percentage of equity (similarly attributable) at the end of the period	(1.0%)	(3.5%)

#### Earnings per security (EPS)

	Current period	Previous corresponding period
Calculation of basic, and fully diluted, EPS in accordance with AASB 1027: Earnings per Share		
(a) Basic EPS	(0.9 cents)	(4.3 cents)
(b) Diluted EPS (if materially different from (a))		

#### NTA backing

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	75.4 cents	83.9 cents



**Annexure 3A**  
**Half Yearly/Yearly Disclosure**  
**Details of specific receipts/outlays, revenues/expenses**

	Current period A\$'000	Previous corresponding period \$A'000
Interest revenue included	Nil	Nil
Interest revenue included but not yet received (if material)	Nil	Nil
Interest costs excluded from borrowing costs capitalised in asset values	Nil	Nil
Outlays (excepts those arising from the acquisition of an existing business) capitalised in intangibles (if material)	Nil	Nil
Depreciation (excluding amortisation of intangibles)	139	138
Other specific relevant items	Nil	Nil

**Control gained over entities having material effect**

Name of entity	NA
Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the entity since the date in the current period on which control was acquired	\$NA
Date from which such profit has been calculated	NA
Profit (loss) from ordinary activities and extraordinary items after tax of the entity for the whole of the previous corresponding period	\$NA

**Loss of control of entities having material effect**

Name of entity	NA
Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the entity for the current period to the date of loss of control	\$NA
Date from which the profit (loss) has been calculated	NA
Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the entity while controlled during the whole of the previous corresponding period	\$NA
Contribution to consolidated profit (loss) from ordinary activities and extraordinary items from sale of interest leading to loss of control	\$NA

### Annexure 3A Half Yearly/Yearly Disclosure

#### Reports for industry and geographical segments

<b>Segments</b>	
Operating Revenue	NA
Sales to customers outside the economic entity	NA
Inter-segment sales	NA
Unallocated revenue	NA
Total revenue	NA
Segment result	NA
Unallocated expenses	NA
Consolidated profit from ordinary activities after tax (Before equity accounting)	NA
Segment assets	NA
Unallocated assets	NA
Total assets	NA

) Comparative data for segment assets should be as at the  
end of the previous corresponding period  
)

#### Dividends

Date the dividend is payable

NA
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Record date to determine entitlements to the dividend (ie. on the basis of registrable transfers received up to 5.00 pm)

NA
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#### Amount per security

	Franking rate applicable			
(annual report only)		%	%	%
<b>Final dividend:</b>	<b>Current year</b>			
	Previous year			
(Half yearly and annual statements)				
<b>Interim dividend:</b>	<b>Current year</b>			
	Previous year			

\$	N/A	\$	\$	N/A
\$	\$	\$	\$	\$
Nil\$	N/A	Nil\$	Nil\$	N/A
Nil\$	Nil\$	Nil\$	Nil\$	Nil\$

**Annexure 3A**  
**Half Yearly/Yearly Disclosure**

**Total annual dividend (distribution) per security**  
*(Annual statement only)*

	Current year	Previous year
Ordinary securities	₹	₹
Preference securities	₹	₹

**Total dividend (distribution)**

	Current period \$A'000	Previous corresponding period - \$A'000
Ordinary securities	\$Nil	\$Nil
Preference securities	\$NA	\$NA
<b>Total</b>	\$Nil	\$Nil

**Half yearly report – Interim dividend (distribution) on all securities or Annual report – final dividend (distribution) on all securities**

	Current period \$A'000	Previous corresponding period - \$A'000
Ordinary securities	\$Nil	\$Nil
Preference securities	\$NA	\$NA
<b>Total</b>	\$Nil	\$Nil

The dividend or distribution plans shown below are in operation.

None

The last date(s) for receipt of election notices to the dividend or distribution plans NA

Any other disclosures in relation to dividends (distributions)

None

### Annexure 3A Half Yearly/Yearly Disclosure

*Equity accounting information attributable to the to the economic entity's share of investments in associated entities must be disclosed in a separate notice. See AASB 1016: Disclosure of Information about Investments in Associated Companies.*

Entities share of:	Current period A\$'000		Previous corresponding period A\$'000	
Profit (loss) from ordinary activities before tax.		Nil		Nil
Income tax		Nil		Nil
Profit (loss) from ordinary activities after tax		Nil		Nil
Extraordinary items net of tax		Nil		Nil
Net profit (loss)		Nil		Nil
Outside equity interests		Nil		Nil
Net profit (loss) attributable to members		Nil		Nil

#### Material interests in entities which are not controlled entities

*The entity has an interest (that is material to it) in the following entities.*

Name of entity	Percentage of ownership interest held at end of period or date of disposal		Contribution to profit (loss) from ordinary activities and extraordinary items after tax	
	Current period	Previous corresponding period	Current period \$A'000	Previous corresponding period \$A'000
Equity accounted associates and joint venture entities				
None				
Total	Nil	Nil		
Other material interests			Nil	Nil
None				

Date 30/08/2000

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### Annexure 3A Half Yearly/Yearly Disclosure

<b>Total</b>	Nil	Nil	Nil

**Issued and listed securities**  
*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

#### Category of securities

Category of securities (description)	Number issued	Number listed	Issue Price (cents)	Paid-up value (cents)
<b>Preference securities (description)</b>	NA	NA	NA	NA
Changes during current period	NA	NA	NA	NA
<b>Ordinary securities</b>	2,550,000	2,550,000	100	100
	642,800	642,800	110	110
Changes during current period	642,800	642,800	110	110
<b>Convertible debt securities (description and conversion factor)</b>	Nil	Nil	Nil	Nil
Changes during current period	Nil	Nil	Nil	Nil
<b>Options (description and conversion factor)</b>	Nil	Nil	NA	NA
Changes during current period	Nil	Nil	NA	NA
Exercised during current period	Nil	Nil	NA	NA
Expired during current period	Nil	Nil	NA	NA

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### Annexure 3A Half Yearly/Yearly Disclosure

<b>Debentures</b>	Nil	Nil
<b>Unsecured Notes</b>	Nil	Nil

#### Discounting Operations

#### Consolidated profit and loss account

	Continuing operations		Discontinuing operations		Total entity	
	Current period - \$A'000	Previous period - \$A'000	Current period - \$A'000	Previous period - \$A'000	Current period - \$A'000	Previous period - \$A'000
<b>Sales revenue or operation revenue</b>	696	692	Nil	Nil	696	692
<b>Other revenue</b>	Nil	Nil	Nil	Nil	Nil	Nil
<b>Expenses from ordinary activities</b>	(731)	(810)	Nil	Nil	(731)	(810)
<b>Profit (loss) before tax</b>	(35)	(118)	Nil	Nil	(35)	(118)
<b>Less tax</b>	7	38	Nil	Nil	7	38
<b>Profit (loss) from ordinary activities after tax</b>	(28)	80	Nil	Nil	(28)	80

#### Consolidated statement of cash flows

	Continuing operations		Discontinuing operations		Total entity	
	Current period - \$A'000	Previous period - \$A'000	Current period - \$A'000	Previous period - \$A'000	Current period - \$A'000	Previous period - \$A'000
<b>Net operating cash flows</b>	203	7	Nil	Nil	203	7
<b>Net investing cash flows</b>	(42)	(18)	Nil	Nil	(42)	(18)

### Annexure 3A Half Yearly/Yearly Disclosure

Net financing cash flows	(396)	Nil	Nil	Nil	(396)
					Nil

#### Other disclosures

	Current period A\$'000		Previous corresponding period A\$'000	
	Carrying amount of items to be disposed of:			
- total assets		Nil		Nil
- total liabilities		Nil		Nil
Profit (loss) on disposal of assets or settlement of liabilities		Nil		Nil
Related tax		Nil		Nil
Net profit (loss) on discontinuance		Nil		Nil

#### Description of disposals

None

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#### Comments by directors

The VLE has recorded a strong improvement in operational performance for the half year ended 31 December 2001. Whilst a bottom line loss of \$28,000 was reported, the assessment of that outcome should take account of several factors. Firstly, the result, as always, incorporates a substantial non-cash charge for depreciation, which is associated with the construction of the facility only four years ago. The result before depreciation was a positive \$122,000. The outcome was also negatively affected by the fact that no contracts for land sales were signed during the period. The main reason for this apparent lack of activity was a delay by a purchaser of two lots in finalising its requirements for lot sizes and the like. The good news is that the land sales that had been expected in the

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**Annexure 3A**  
**Half Yearly/Yearly Disclosure**

relevant period have since Christmas been contracted and there has been strong further interest in unsold lots.

When taking account of these factors, the result demonstrates a strong underlying improvement in the core livestock selling business operated by the Company. Revenue from these activities has improved significantly as a result of both increased throughput and the rise in fees implemented last year. The beef industry is enjoying a strong period of prosperity and there is unlikely to be any shrinkage of the herd in VLE's catchment areas while this lasts.

The capital raising last winter and improved trading have enabled a further reduction in debt by some \$1 million (or 20% of total debt) since this time last year. The Company's long-term strategy is to further reduce debt through continuation of the land development process and through trading results. After a slow start three years ago and with a little over half the available lots now sold, the land development program has to date contributed some \$1 million in debt reduction. The Company is confident that the ongoing program will provide the means to further significantly reduce borrowings. In the interim, the directors continue to review ways of ameliorating the cost of debt, such as fixing interest rate changes.

This result provides a good base for the Company's run through the second half of the year, which has traditionally be strongest in terms of cattle throughput.

**Basis of accounts preparation**

*If this statement is a half yearly statement it should be read in conjunction with the last annual report and any announcements to the market made by the entity during the period.*

**Material factors affecting the revenues and expenses of the entity for the current period including seasonal or cyclical factors**

None

A description of each event since the end of the current period which has had a material effect and is not related to matters already reported, with financial effect quantified (if possible)

None



**Annexure 3A**  
**Half Yearly/Yearly Disclosure**

Franking credits available and prospects for paying fully or partly franked dividends for at least the next year

Nil

Changes in accounting policies since the last annual report and estimates of amounts reported in prior years are disclosed as follows.

None

Changes in the amounts of contingent liabilities or assets since the last annual report are disclosed as follows.

None

**Additional disclosure for trusts**

Number of unites held by the management company or responsible entity to their related parties.

NA

A statement of the fees and commissions payable to the management company or responsible entity.

NA

Identify:

- Initial service charges
- Management fees
- Other fees

**Annual meeting**  
*(Annual statement only)*

The annual meeting will be held as follows:

Place

Date

Time

Approximate date the annual report will be available

Date 30/08/2000

Compliance statement**Annexure 3A**  
**Half Yearly/Yearly Disclosure**

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law.
- 2 This statement, and the financial statements under the Corporations Law (if separate), use the same accounting policies.
- 3 In the case of a half-yearly report the same accounting standards and methods of computation are/~~are not~~ (delete one) followed as compared with the most recent annual accounts.
- 4 This statement does/~~does not~~ (delete one) give a true and fair view of the matters disclosed.
- 5 This statement is based on financial statements to which one of the following applies:  
(Tick one)
  - ☐ The financial statements have been audited.
  - ☒ The financial statements have been subject to review by a registered auditor (or overseas equivalent).
  - ☐ The financial statements are in the process of being audited or subject to review.
  - ☐ The financial statements have not yet been audited or reviewed.
- 6 If the accounts have been or are being audited or subject to review and the audit report is not attached, details of any qualifications are-~~attached~~ will follow immediately they are available\* (delete one).
- 7 The entity has/~~does not have~~\* (delete one) a formally constituted audit committee.

Sign here:

.....  
(Director/Company secretary)

Date: 14 March 2002

Print name: GRAHAM OSBORNE

**Notes**

**True and fair view** If this statement does not give a true and fair view of a matter (for example, because compliance with an Accounting Standard is required) the entity must attach a note providing additional information and explanations to give a true and fair view.

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**Annexure 3A**  
**Half Yearly/Yearly Disclosure**

**Income tax** If the amount provided for income tax in this statement differs (or would differ but for compensatory items) by more than 15% from the amount of income tax *prima facie* payable on the profit before tax, the entity must explain in a note the major items responsible for the difference and their amounts.

**Additional information** An entity may disclose additional information about any matter, and must do so if the information is material to an understanding of the financial statements. The information may be an expansion of the material contained in this statement, or contained in a note attached to the statement.

## Victorian Livestock Exchange Limited

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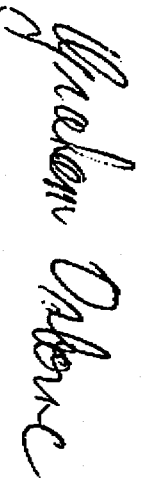
### Directors' Declaration

In accordance with a resolution of the directors of Victorian Livestock Exchange Limited, I state that:

In the opinion of the directors:

- (a) the financial statements and notes of the company are in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the company's financial position as at 31 December 2001 and the performance for the half-year ended on that date; and
  - (ii) complying with Accounting Standard AASB 1029 "Interim Financial Reporting" and the Corporations Regulations 2001;
  - (iii) complying with the BSX Listing Rules as they relate to Annexure 3A, and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the board



Managing Director

Melbourne, 14 March 2002