

**BSX Listing Rules**
**Half yearly/Yearly Disclosure**
**References**      Issued      30/8/2000

## Chapter 3, BSX Listing Rules

**VICTORIAN LIVESTOCK EXCHANGE LIMITED AND CONTROLLED ENTITY**

Name of entity

72 078 893 031	Half yearly (tick)	<input type="checkbox"/>	30 JUNE 2006
ABN, ACN or ARBN	Annual (tick)	<input checked="" type="checkbox"/>	Half year/financial year ended (‘Current period’)

**Summary**

		\$A,000
Sales revenue or operating revenue	up/down	0.8%
Profit (loss) before abnormal items and after tax	up/down	65.9%
Abnormal items before tax		gain (loss) of
Profit (loss) after tax but before outside equity interests	up/down	65.9%
Extraordinary items after tax attributable to members		gain (loss) of
Profit (loss) for the period attributable to members	up/down	65.9%

Dividends (distributions)	Franking rate applicable	100%
Current period	Final	Proposed 5.5¢
	Interim	Nil¢
Previous corresponding period	Final	5.0¢
	Interim	Nil¢
Record date for determining entitlements to the dividend, (in the case of a trust distribution)		Proposed only, date to be determined

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

None

### Consolidated profit and loss account

	Current period \$A'000	Previous corresponding period \$A'000
Sales revenue or operating revenue	4,065	4,097
Expenses from ordinary activities	(3,053)	(2,181)
Borrowing costs	(410)	(153)
Share of net profit (loss) of associates and joint venture entities	Nil	Nil
Profit (loss) from ordinary activities before tax	602	1,763
Income tax on ordinary activities	(182)	(530)
Profit (loss) from ordinary activities after tax	420	1,233
Outside equity interests	Nil	Nil
Profit (loss) from ordinary activities after tax attributable to members	420	1,233
Profit (loss) from extraordinary activities after tax attributable to members	Nil	Nil
Profit (loss) for the period attributable to members	420	1,233
Retained profits (accumulated losses) at the beginning of the financial period	1,737	667
Net transfers to and from reserves	Nil	Nil
Net effect of changes in accounting policies	Nil	Nil
Dividends paid or payable	(168)	(163)
Retained profits (accumulated losses) at end of financial period	1,989	1,737

**Profit restated to exclude amortisation of goodwill**

	Current period \$A'000	Previous corresponding period \$A'000
Profit (loss) from ordinary activities after tax before outside equity interests and amortisation of goodwill	420	1,233
Less (plus) outside equity interests	Nil	Nil
Profit (loss) from ordinary activities after tax (before amortisation of goodwill) attributable to members	420	1,233

**Revenue and expenses from operating activities**

	Current period \$A'000	Previous corresponding period \$A'000
Details of revenue and expenses		
REVENUE:		
Sales revenue	1,779	2,305
Services revenue	2,064	1,734
Government Grants	30	-
Rental Revenue	66	55
Interest Revenue	30	3
Over-accrual of development costs prior year	94	-
Profit on sale property, plant & equipment	2	-
<b>TOTAL REVENUE</b>	<b>4,065</b>	<b>4,097</b>
EXPENSES:		
Cost of sales	958	642
Depreciation and amortisation	385	322
Finance costs	410	153
Employee benefits expense	849	588
Other expenses from ordinary activities	861	629
<b>TOTAL EXPENSES</b>	<b>3,463</b>	<b>2,334</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	Nil	Nil	Nil
<b>Total amortisation of intangibles</b>	Nil	Nil	Nil
Extraordinary items (details)	Nil	Nil	Nil
<b>Total extraordinary items</b>	Nil	Nil	Nil

### 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	(48)	12
Consolidated profit (loss) from ordinary activities after tax attributable to members for the 2nd half year	468	1,221

### Consolidated balance sheet

<b>Current assets</b>	At end of current period \$A'000	As shown in last annual report \$A'000	As in last half yearly statement \$A'000
Cash	288	30	3
Receivables	1,579	2,278	3,605
Investments	Nil	Nil	Nil
Inventories	464	62	84
Other (provide details if material)	77	31	42
<b>Total current assets</b>	2,408	2,401	3,734
<b>Non-current assets</b>			
Receivables	Nil	Nil	Nil
Investments	Nil	Nil	Nil
Inventories	Nil	Nil	Nil

Other property, plant and equipment (net)	16,051	12,988	13,998
Intangibles (net)	1,436	190	190
Other (provide details if material)	29	15	36
<b>Total non-current assets</b>	<b>17,516</b>	<b>13,193</b>	<b>14,224</b>
<b>Total assets</b>	<b>19,924</b>	<b>15,594</b>	<b>17,958</b>
<b>Current liabilities</b>			
Accounts payable	1,485	2,786	1,107
Borrowings	165	91	1,397
Provisions	109	550	483
Other (provide details if material)	Nil	Nil	5
<b>Total current liabilities</b>	<b>1,759</b>	<b>3,427</b>	<b>2,992</b>
<b>Non-current liabilities</b>			
Accounts payable	Nil	Nil	Nil
Borrowings	7,798	2,184	5,028
Provisions	1,720	1,704	1,707
Other (provide details if material)	Nil	Nil	Nil
<b>Total non-current liabilities</b>	<b>9,518</b>	<b>3,888</b>	<b>6,735</b>
<b>Total liabilities</b>	<b>11,277</b>	<b>7,315</b>	<b>9,727</b>
<b>Net assets</b>	<b>8,647</b>	<b>8,279</b>	<b>8,231</b>
<b>Equity</b>			
Capital	3,363	3,247	3,247
Reserves	3,295	3,295	3,295
Retained profits (accumulated losses)	1,989	1,737	1,689
Equity attributable to members of the parent entity	8,647	8,279	8,231
Outside equity interests in controlled entities	Nil	Nil	Nil
<b>Total equity</b>	<b>8,647</b>	<b>8,279</b>	<b>8,231</b>
Preference capital and related premium included	Nil	Nil	Nil

## Consolidated statement of cash flows

<b>Cash flows related to operating activities</b>	Current period \$A'000	Previous corresponding period \$A'000
Receipts from customers	4,857	1,943
Payments to suppliers and employees	(2,647)	(1,216)
Dividends received	Nil	Nil
Interest and other items of similar nature received	30	3
Interest and other costs of finance paid	(437)	(154)
Income taxes paid	(645)	(141)
Other (provide details if material)	Nil	Nil
<b>Net operating cash flows</b>	<b>1,158</b>	<b>435</b>
<hr/>		
<b>Cash flows related to investing activities</b>		
Payments for purchases of property, plant and equipment	(5,471)	(565)
Proceeds from sale of property, plant and equipment	2	2
Payment for purchases of equity investments	Nil	Nil
Proceeds from sale of equity investments	Nil	Nil
Loans to other entities	Nil	Nil
Loans repaid by other entities	Nil	Nil
Other (provide details if material)		
- Payment for intangibles	(1,067)	(10)
<b>Net investing cash flows</b>	<b>(6,536)</b>	<b>(573)</b>
<hr/>		
<b>Cash flows related to financing activities</b>		
Proceeds from issues of securities (shares, options, etc.)	Nil	Nil
Proceeds from borrowings	5,625	45
Repayment of borrowings	(10)	(2)
Dividends paid	(52)	(64)
Other (provide details if material)	Nil	Nil
<b>Net financing cash flows</b>	<b>5,563</b>	<b>(21)</b>
<b>Net increase (decrease) in cash held</b>	<b>185</b>	<b>(159)</b>
Cash at beginning of period	(51)	108

(see Reconciliation of cash)		
Exchange rate adjustments	Nil	Nil
<b>Cash at end of period</b> (see Reconciliation of cash)	134	(51)

### 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
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### 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	288	30
Deposits at call	Nil	Nil
Bank overdraft	(154)	(81)
Other (provide details)	Nil	Nil
<b>Total cash at end of period</b>	<b>134</b>	<b>(51)</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	14.8%	43.0%

  

	Current period	Previous corresponding period
<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	4.9%	14.9%

### 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	12.4 cents	37.4 cents
(b) Diluted EPS (if materially different from (a))		

<b>NTA backing</b>	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	209.0 cents	240.9 cents

**Details of specific receipts/outlays, revenues/expenses**

	Current period A\$'000	Previous corresponding period \$A'000
Interest revenue included	30	3
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)	385	322
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

### Reports for industry and geographical segments

	Livestock Operations		Land Subdivision		Consolidation	
	2006	2005	2006	2005	2006	2005
	\$000	\$000	\$000	\$000	\$000	\$000
<b>Revenue</b>						
External sales	<u>2,228</u>	<u>1,810</u>	<u>1,837</u>	<u>2,287</u>	<u>4,065</u>	<u>4,097</u>
<b>Result</b>						
Segment result	<u>112</u>	<u>317</u>	<u>900</u>	<u>1,599</u>	<u>1,012</u>	<u>1,916</u>
Finance costs					(410)	(153)
Profit before income tax					<u>602</u>	<u>1,763</u>
Income tax expense					(182)	(530)
Profit after income tax					<u>420</u>	<u>1,233</u>
<b>Assets</b>						
Segment assets	<u>18,088</u>	<u>13,391</u>	<u>1,807</u>	<u>2,188</u>	<u>19,895</u>	<u>15,579</u>
Unallocated assets					<u>29</u>	<u>15</u>
Total assets					<u>19,924</u>	<u>15,594</u>
<b>Liabilities</b>						
Segment liabilities	<u>8,371</u>	<u>4,573</u>	<u>1,134</u>	<u>520</u>	<u>9,505</u>	<u>5,093</u>
Unallocated liabilities					<u>1,772</u>	<u>2,222</u>
Total liabilities					<u>11,277</u>	<u>7,315</u>
<b>Other</b>						
Acquisition of non-current segment assets	<u>4,704</u>	<u>2,730</u>	-	-	<u>4,704</u>	<u>2,730</u>
Depreciation and amortization of segment assets	<u>385</u>	<u>322</u>	-	-	<u>385</u>	<u>322</u>

## Dividends

Date the dividend is payable	Proposed 28 February 2007
Record date to determine entitlements to the dividend (ie. on the basis of registrable transfers received up to 5.00 pm)	To be determined

## Amount per security

		Franking rate applicable	% %	
<i>(annual report only)</i>				
<b>Final dividend:</b>	Current year		5.5¢	100%
	Previous year		5.0¢	100%
<i>(Half yearly and annual statements)</i>				
<b>Interim dividend:</b>	Current year		Nil¢	NA
	Previous year		Nil¢	NA

## Total annual dividend (distribution) per security

*(Annual statement only)*

	Current year	Previous year
Ordinary securities	5.5¢	5.0¢
Preference securities	NA¢	NA¢

## Total dividend (distribution)

	Current period \$A'000	Previous corresponding period - \$A'000
Ordinary securities	189	168
Preference securities	NA	NA
<b>Total</b>	<b>189</b>	<b>168</b>

**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	189	168
Preference securities	NA	NA
<b>Total</b>	<b>189</b>	<b>168</b>

The dividend or distribution plans shown below are in operation.

The VLE Dividend Reinvestment Plan, as approved at the 2003 Annual General Meeting

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

Any other disclosures in relation to dividends (distributions)

The directors have recommended payment of a fully franked dividend of 5.5 cents per ordinary share.  
This dividend is expected to be paid on 28 February 2007.

**Equity accounted associated entities and other material interests**

*Equity accounting information attributable 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
<b>Equity accounted associates and joint venture entities</b>				
None				
<b>Total</b>	Nil	Nil	Nil	Nil
<b>Other material interests</b>				
<b>Total</b>	Nil	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	Number issued	Number listed	Issue Price	Paid-up value
			(cents)	(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
	721,820	721,820	110	110
	79,392	79,392	125	125

	86,120	86,120	135	135
Changes during current period	86,120	86,120	135	135
<b>Convertible debt securities</b> <i>(description and conversion factor)</i>	Nil	Nil	NA	NA
Changes during current period	Nil	Nil	NA	NA
			Exercise price	Expiry date
<b>Options</b> <i>(description and conversion factor)</i>	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
<b>Debentures</b>	Nil	Nil		
<b>Unsecured Notes</b>	Nil	Nil		

## Discontinuing Operations

### Consolidated profit and loss account

	Continuing operations		Discontinuing operations		Total entity	
	Current period - \$A'000	Previous corresponding period - \$A'000	Current period - \$A'000	Previous corresponding period - \$A'000	Current period - \$A'000	Previous corresponding period - \$A'000
Sales revenue or operation revenue	4,063	4,097	Nil	Nil	4,063	4,097
Other revenue	2	Nil	Nil	Nil	2	Nil
Expenses from ordinary activities	(3,463)	(2,334)	Nil	Nil	(3,463)	(2,334)
Profit (loss) before tax	602	1,763	Nil	Nil	602	1,763
Less tax	(182)	(530)	Nil	Nil	(182)	(530)
Profit (loss) from ordinary activities after tax	420	1,233	Nil	Nil	420	1,233

### Consolidated statement of cash flows

	Continuing operations		Discontinuing operations		Total entity	
	Current period - \$A'000	Previous corresponding period - \$A'000	Current period - \$A'000	Previous corresponding period - \$A'000	Current period - \$A'000	Previous corresponding period - \$A'000
Net operating cash flows	1,158	435	Nil	Nil	1,158	435
Net investing cash flows	(6,536)	(573)	Nil	Nil	(6,536)	(573)
Net financing cash flows	5,563	(21)	Nil	Nil	5,563	(21)

**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

**Comments by *directors***

The annual accounts of the economic entity show a net profit after tax of \$420,000, which the directors believe is a satisfactory result. As outlined in this yearly disclosure of last financial year, the directors have continued to use retained profits to further develop and grow the business. The benefits of this growth strategy, which the directors believe is both definite in purpose and holistic in nature, are reflected in the growth of revenue from livestock operations which are now conducted at two major centres and several smaller centres. The full benefit of the growth strategy is expected to be seen in the bottom line results of the years ahead. The cash generated from the development and sale of excess industrial land surrounding the company's livestock marketing centres continues to be a major contributor to the group's performance and growth.

Five lots of "Stage 13" industrial land development at Pakenham were subject to unconditional contracts of sale at 30 June 2006 and the profits on the sale of these are included in the yearly disclosure. As at the date of this yearly disclosure, a further seven lots remain unsold.

The economic entity, through its wholly owned subsidiary, VLE Advisory Services, continues to be the major provider of electronic reading services to agency owned yards in Victoria, Tasmania and southern NSW.

**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

Refer directors' comments

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

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

Balance of group franking accounts at 30 June 2006 adjusted for franking credits arising from payment of provision for income tax and franking debits arising from payment of proposed dividends is \$571,000. It is expected that any further dividends payable in the next year will be fully franked.

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

As this is the first annual financial report prepared under Australian equivalents to IFRS, the accounting policies applied are inconsistent with those applied in the 30 June 2005 annual report as this report was presented under previous Australian GAAP. A summary of the inconsistencies are as follows:

- 1) Under AASB138 Intangible assets with an indefinite useful life are not amortised but subject to annual impairment testing. All Intellectual Property amortised under previous GAAP has been reversed. Amortisation charges amounting to \$40,000 have been reversed to retained earnings at 1 July 2004. Intellectual Property amounting to \$9,000 previously amortised in the 2005 full financial year has been reversed to the income statement for the year ended 30 June 2005.
- 2) Under AASB112: Income Taxes, the entity has adopted a balance sheet approach under which temporary differences are identified for each asset and liability rather than the effects of the timing and permanent differences between taxable income and accounting profit. This has resulted in the recognition of a deferred tax liability at 30 June 2005 of \$1,412,000 in relation to the asset revaluation. A corresponding reduction has been recognised in the asset revaluation reserve.
- 3) Under Australian equivalents to IFRS, gains or losses on disposal of non-current assets are recognised on a net basis by recognising the proceeds net of the carrying value of the asset. Under previous GAAP, gross proceeds were disclosed as revenue and carrying value of assets disposed disclosed as expense. This reclassification has no effect on net profit for the 2005 full financial year.

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.

Identify:

- Initial service charges
- Management fees
- Other fees

### **Annual meeting**

*(Annual statement only)*

The annual meeting will be held as follows:

Place

VLE Leongatha

Date

November 29<sup>th</sup> 2006

Time

9.30 am

Approximate date the annual report will be available

13 September 2006

### **Compliance statement**

- 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: ..... Date: 12<sup>th</sup> September 2006  
(Director/Company secretary)

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.

**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.