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Friday, 13 September 2002

Mr George Wyatt
Trading Manager
Bendigo Stock Exchange
PO Box 323
Bendigo Vic 3552

Dear George,

The annual audited accounts of the Victorian Livestock Exchange (for the year ending 30 June 2002) in the format of annexure 3A are hereby presented for lodgement as required by BSX rules.

Yours faithfully,

Graham Osborne
Managing Director

**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

72 078 893 031

Half yearly (tick)

☐

30 JUNE 2002

ABN, ACN or ARBN

Annual (tick)

☒Half year/financial year ended
(‘Current period’)**Summary**

				\$A,000
Sales revenue or operating revenue	up/down	29.3%	to	2,281
Profit (loss) before abnormal items and after tax	up/down	NA%	to	55
Abnormal items before tax		gain (loss) of		(29)
Profit (loss) after tax but before outside equity interests	up/down	NA%	to	26
Extraordinary items after tax attributable to members		gain (loss) of		Nil
Profit (loss) for the period attributable to members	up/down	NA%	to	26

Dividends (distributions)	Franking rate applicable	NA
Current period	Final	Nil¢
	Interim	Nil¢
Previous corresponding period	Final	Nil¢
	Interim	Nil¢
Record date for determining entitlements to the dividend, (in the case of a trust distribution)		NA

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:

None

Consolidated profit and loss account

	Current period \$A'000	Previous corresponding period \$A'000
Sales revenue or operating revenue	2,281	1,764
Expenses from ordinary activities	(1,904)	(1,521)
Borrowing costs	(329)	(451)
Share of net profit (loss) of associates and joint venture entities	Nil	Nil
Profit (loss) from ordinary activities before tax	48	(208)
Income tax on ordinary activities	(22)	43
Profit (loss) from ordinary activities after tax	26	(165)
Outside equity interests	Nil	Nil
Profit (loss) from ordinary activities after tax attributable to members	26	(165)
Profit (loss) from extraordinary activities after tax attributable to members	Nil	Nil
Profit (loss) for the period attributable to members	26	(165)
Retained profits (accumulated losses) at the beginning of the financial period	(187)	(22)
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	(161)	(187)

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	26	(165)
Less (plus) outside equity interests	Nil	Nil
Profit (loss) from ordinary activities after tax (before amortisation of goodwill) attributable to members	26	(165)

Revenue and expenses from operating activities

	Current period \$A'000	Previous corresponding period \$A'000
Details of revenue and expenses		
REVENUE:		
Weigh Fees & Store Sales	1,036	849
Droving Fees	145	140
Auctioneers Fees	50	51
Truckwash Fees	133	87
Revenue from sale of land	805	540
Other Revenue	112	97
TOTAL REVENUE	2,281	1,764
EXPENSES:		
Cost of sales	717	424
Depreciation and Amortisation Expense	298	283
Borrowing Costs Expense	329	423
Salaries and Employee Benefits Expense	356	352
Other expenses from ordinary activities	504	422
Abnormal Items	29	68
TOTAL EXPENSES	2,233	1,972

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	22	Nil	22
Total amortisation of intangibles	22	Nil	22
Extraordinary items (details)	Nil	Nil	Nil

Annexure 3A
Half Yearly/Yearly Disclosure

Total extraordinary items	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	(28)	(80)
Consolidated profit (loss) from ordinary activities after tax attributable to members for the 2nd half year	54	(85)

Consolidated balance sheet

Current assets	At end of current period \$A'000	As shown in last annual report \$A'000	As in last half yearly statement \$A'000
Cash	1	172	Nil
Receivable	889	355	184
Investments	Nil	Nil	Nil
Inventories	347	305	315
Other (provide details if material)	21	151	5
Total current assets	1,258	983	504
Non-current assets			
Receivables	Nil	Nil	Nil
Investments	Nil	Nil	Nil
Inventories	Nil	Nil	Nil
Other property, plant and equipment (net)	6,207	6,420	6,324
Intangibles (net)	184	206	195
Other (provide details if material)	254	234	261
Total non-current assets	6,645	6,860	7,284
Total assets	7,903	7,843	
Current liabilities			
Accounts payable	764	155	75

Annexure 3A
Half Yearly/Yearly Disclosure

Borrowings	81	63	128
Provisions	9	7	6
Other (provide details if material)	Nil	167	2
Total current liabilities	854	392	211
Non-current liabilities			
Accounts payable	Nil	Nil	Nil
Borrowings	3,900	4,900	4,000
Provisions	Nil	Nil	Nil
Other (provide details if material)	231	188	210
Total non-current liabilities	4,131	5,088	4,210
Total liabilities	4,985	5,480	4,421
Net assets	2,918	2,363	2,863
Equity			
Capital	3,079	2,550	3,078
Reserves	Nil	Nil	Nil
Retained profits (accumulated losses)	(161)	(187)	(215)
Equity attributable to members of the parent entity	2,918	2,363	2,863
Outside equity interests in controlled entities	Nil	Nil	Nil
Total equity	2,918	2,363	2,863
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	1,000	1,608
Payments to suppliers and employees	(282)	(952)
Dividends received	Nil	Nil
Interest and other items of similar nature received	Nil	Nil
Interest and other costs of finance paid	(346)	(413)
Income taxes paid	Nil	Nil
Other (provide details if material)	Nil	Nil

Annexure 3A
Half Yearly/Yearly Disclosure

Net operating cash flows	372	243
Cash flows related to investing activities		
Payments for purchases of property, plant and equipment	(63)	(26)
Proceeds from sale of property, plant and equipment	Nil	Nil
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)	Nil	Nil
Net investing cash flows	(63)	(26)
Cash flows related to financing activities		
Proceeds from issues of securities (shares, options, etc.)	541	166
Proceeds from borrowings	Nil	Nil
Repayment of borrowings	(1,000)	(100)
Dividends paid	Nil	Nil
Other (provide details if material)	(39)	(139)
Net financing cash flows	(498)	(73)
Net increase (decrease) in cash held	(189)	144
Cash at beginning of period (see Reconciliation of cash)	109	(35)
Exchange rate adjustments	Nil	Nil
Cash at end of period (see Reconciliation of cash)	(80)	109

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	1	172
Deposits at call	Nil	Nil
Bank overdraft	(81)	(63)
Other (provide details)	Nil	Nil
Total cash at end of period	(80)	109

Ratios

	Current period	Previous corresponding period
Profit before tax/sales		
Consolidated profit (loss) from ordinary activities before tax as a percentage of sales revenue	2.1%	(11.8%)
Profit after tax/equity interests		
Consolidated profit (loss) from ordinary activities after tax attributable to members as a percentage of equity (similarly attributable) at the end of the period	0.9%	(7.0%)

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	0.8 cents	(6.8 cents)
(b) Diluted EPS (if materially different from (a))		

NTA backing

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	77.7 cents	75.4 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	150
Depreciation (excluding amortisation of intangibles)	276	272
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

Segments

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)	<i>Comparative data for segment assets should be as at the end of the previous corresponding period</i>
Unallocated assets	NA)	
Total assets	NA)	

Dividends

Date the dividend is payable

NA

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

NA

Amount per security

		Franking rate applicable	%	%	%
<i>(annual report only)</i>					
Final dividend:	Current year	Nil¢	N/A	Nil¢	N/A
	Previous year	Nil¢	Nil¢	Nil¢	Nil¢
<i>(Half yearly and annual statements)</i>					
Interim dividend:	Current year	Nil¢	N/A	Nil¢	N/A
	Previous year	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	Nil¢	Nil¢
Preference securities	NA¢	NA¢

Total dividend (distribution)

	Current period \$A'000	Previous corresponding period - \$A'000
Ordinary securities	\$Nil	\$Nil
Preference securities	\$NA	\$NA
Total	\$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
Total	\$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 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	
Equity accounted associates and joint venture entities	Current period	Previous corresponding period	Current period \$A'000	Previous corresponding period \$A'000
None				
Total	Nil	Nil	Nil	Nil
Other material interests				
None				

Annexure 3A
Half Yearly/Yearly Disclosure

Total	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 (cents)	Paid-up value (cents)
Preference securities <i>(description)</i>	NA	NA	NA	NA
Changes during current period	NA	NA	NA	NA
Ordinary securities	2,550,000	2,550,000	100	100
	642,800	642,800	110	110
Changes during current period	642,800	642,800	110	110
Convertible debt securities <i>(description and conversion factor)</i>	Nil	Nil	Nil	Nil
Changes during current period	Nil	Nil	Nil	Nil

			Exercise price	Expiry date
Options <i>(description and conversion factor)</i>	Nil	Nil	Nil	Nil
Changes during current period	Nil	Nil	Nil	Nil
Exercised during current period	Nil	Nil	Nil	Nil
Expired during current period	Nil	Nil	Nil	Nil

Annexure 3A
Half Yearly/Yearly Disclosure

Debentures	Nil	Nil
Unsecured Notes	Nil	Nil

Discounting 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	2,281	1,764	Nil	Nil	2,281	1,764
Other revenue	Nil	Nil	Nil	Nil	Nil	Nil
Expenses from ordinary activities	(2,233)	(1,972)	Nil	Nil	(2,233)	(1,972)
Profit (loss) before tax	48	(208)	Nil	Nil	48	(208)
Less tax	(22)	43	Nil	Nil	(22)	43
Profit (loss) from ordinary activities after tax	26	(165)	Nil	Nil	26	(165)

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	372	243	Nil	Nil	372	243
Net investing cash flows	(63)	(26)	Nil	Nil	(63)	(26)

Annexure 3A
Half Yearly/Yearly Disclosure

Net financing cash flows	(498)	(73)	Nil	Nil	(498) (73)

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 show a profit after tax of \$26,000. This is an improvement on last year of \$191,000. The company's revenues increased by 29.3%. The increase in revenues is due in part to the new pricing structure implemented upon listing of the company and in part is attributable to an increase in through put of 8,300 head of adult cattle.

The year started very strongly, with the best first six months since the company commenced operations; unfortunately this trend did not continue. While the last six months were profitable, they did not live up to expectations. The June throughput was the lowest June recorded. This was due to producers withholding stock from sale as prices declined by approximately 25%. The price decline was, and is still being driven by unfavourable seasonal conditions in much of inland eastern Australia coupled with a substantial softening of demand for Australian product in Japan and the United States of America (USA). The diverting of product destined for Japan to USA has

Annexure 3A

Half Yearly/Yearly Disclosure

seen the filling of the USA quota (378,000 tonnes) and a further decline in saleyard price, which is continuing to impact on prime cattle throughput.

On a brighter note, VLE has continued to strengthen its position as a calf selling centre (i.e. under 5 months) with 15,000 calves being sold in the small animal sector. On a similar note, although not in the reporting period, VLE has just conducted its two biggest sales, being successive store cattle sales of 2,500 head each.

A modest increase of 7% in throughput was recorded. This compared favourably against all other centres in southern Victoria which recorded falls varying from 2.6% to 19%. It should be noted the throughput of Korumburra is unknown. Total Victorian cattle slaughter is reported by the Australian Bureau of Statistics (ABS) as being 5% lower. It is a good result for the VLE to move against the trend.

During the year, contracts of sale were signed for another five lots of land and the subdivision and development of these lots commenced prior to year-end. Total profit from the sale of these five lots has been recorded as \$82,886. \$29,000 of costs were also incurred in relation to lots sold in prior years reducing the net profit from the land subdivision activity to \$58,714.

Other expenses from ordinary activities increased by 19.4% from \$422,000 in the prior year to \$504,000. \$59,400 of this increase consists of the additional costs associated with operating as a listed company since 13 August 2001, including:

- Shareholder rebates of \$30,000 and share registry costs of \$11,000 being incurred for the first time; and
 - Increases in audit and legal fees of \$11,500 and \$6,900 respectively
- The remainder of the increase is due to higher insurance premiums and increased repairs and cleaning expenses in comparison to the prior year.

Annexure 3A
Half Yearly/Yearly Disclosure

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

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

Annexure 3A
Half Yearly/Yearly Disclosure

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

30 Livestock Way, Pakenham VIC 3810

Date

13 November 2002

Time

8:30am

Approximate date the annual report will be available

27 September 2002

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*)

- | | |
|-------------------------------------|--------------------------------------------------------------------------------------------------------|
| <input type="checkbox"/> | The financial statements have been audited. |
| <input type="checkbox"/> | The financial statements have been subject to review by a registered auditor (or overseas equivalent). |
| <input checked="" type="checkbox"/> | The financial statements are in the process of being audited or subject to review. |
| <input type="checkbox"/> | The financial statements have <i>not</i> 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: 13/9/02

(*Managing Director*)

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.