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12 September 2003

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 2003) 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 2003

ABN, ACN or ARBN

Annual (tick)

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

				\$A,000
Sales revenue or operating revenue	up/down	6.3%	to	2,137
Profit (loss) before abnormal items and after tax	up/down	372.7%	to	260
Abnormal items before tax		gain (loss) of		66
Profit (loss) after tax but before outside equity interests	up/down	1,153.8%	to	326
Extraordinary items after tax attributable to members		gain (loss) of		Nil
Profit (loss) for the period attributable to members	up/down	1,153.8%	to	326

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

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	2,137	2,281
Expenses from ordinary activities	(1,369)	(1,904)
Borrowing costs	(291)	(329)
Share of net profit (loss) of associates and joint venture entities	Nil	Nil
Profit (loss) from ordinary activities before tax	477	48
Income tax on ordinary activities	(151)	(22)
Profit (loss) from ordinary activities after tax	326	26
Outside equity interests	Nil	Nil
Profit (loss) from ordinary activities after tax attributable to members	326	26
Profit (loss) from extraordinary activities after tax attributable to members	Nil	Nil
Profit (loss) for the period attributable to members	326	26
Retained profits (accumulated losses) at the beginning of the financial period	(161)	(187)
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	165	(161)

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	326	26
Less (plus) outside equity interests	Nil	Nil
Profit (loss) from ordinary activities after tax (before amortisation of goodwill) attributable to members	326	26

Revenue and expenses from operating activities

Details of revenue and expenses	Current period \$A'000	Previous corresponding period \$A'000
REVENUE:		
Weigh Fees & Store Sales	1,392	1,036
Droving Fees	173	145
Auctioneers Fees	55	50
Truckwash Fees	169	133
Revenue from sale of land	100	805
Revenue from sale of option over land	20	-
Abnormal Items	76	-
Other Revenue	152	112
TOTAL REVENUE	2,137	2,281
EXPENSES:		
Cost of sales	113	717
Depreciation and Amortisation Expense	296	298
Borrowing Costs Expense	291	329
Salaries and Employee Benefits Expense	416	356
Other Expenses from Ordinary Activities	534	504
Abnormal Items	10	29
TOTAL EXPENSES	1,660	2,233

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			

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	75	(28)
Consolidated profit (loss) from ordinary activities after tax attributable to members for the 2nd half year	251	54

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	324	1	215
Receivables	104	889	1,099
Investments	Nil	Nil	Nil
Inventories	259	347	239
Other (provide details if material)	27	21	16
Total current assets	714	1,258	1,569
Non-current assets			
Receivables	Nil	Nil	Nil
Investments	Nil	Nil	Nil
Inventories	Nil	Nil	Nil
Other property, plant and equipment (net)	6,079	6,207	6,112
Intangibles (net)	162	184	173
Other (provide details if material)	133	254	232
Total non-current assets	6,374	6,645	6,517
Total assets	7,088	7,903	8,086
Current liabilities			
Accounts payable	92	764	704

Annexure 3A
Half Yearly/Yearly Disclosure

Borrowings	Nil	81	Nil
Provisions	10	9	9
Other (provide details if material)	Nil	Nil	2
Total current liabilities	102	854	715
Non-current liabilities			
Accounts payable	Nil	Nil	Nil
Borrowings	3,500	3,900	4,150
Provisions	Nil	Nil	Nil
Other (provide details if material)	260	231	246
Total non-current liabilities	3,760	4,131	4,396
Total liabilities	3,862	4,985	5,111
Net assets	3,226	2,918	2,975
Equity			
Capital	3,061	3,079	3,061
Reserves	Nil	Nil	Nil
Retained profits (accumulated losses)	165	(161)	(86)
Equity attributable to members of the parent entity	3,226	2,918	2,975
Outside equity interests in controlled entities	Nil	Nil	Nil
Total equity	3,226	2,918	2,975
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	2,834	1,000
Payments to suppliers and employees	(1,602)	(282)
Dividends received	Nil	Nil
Interest and other items of similar nature received	6	Nil
Interest and other costs of finance paid	(272)	(346)
Income taxes paid	Nil	Nil
Other (provide details if material)	Nil	Nil

Annexure 3A
Half Yearly/Yearly Disclosure

Net operating cash flows	966	372
Cash flows related to investing activities		
Payments for purchases of property, plant and equipment	(150)	(63)
Proceeds from sale of property, plant and equipment	6	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	(144)	(63)
Cash flows related to financing activities		
Proceeds from issues of securities (shares, options, etc.)	Nil	541
Proceeds from borrowings	Nil	Nil
Repayment of borrowings	(400)	(1,000)
Dividends paid	Nil	Nil
Other (provide details if material)	(18)	(39)
Net financing cash flows	(418)	(498)
Net increase (decrease) in cash held	404	(189)
Cash at beginning of period (see Reconciliation of cash)	(80)	109
Exchange rate adjustments	Nil	Nil
Cash at end of period (see Reconciliation of cash)	324	(80)

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	324	1
Deposits at call	Nil	Nil
Bank overdraft	Nil	(81)
Other (provide details)	Nil	Nil
Total cash at end of period	324	(80)

Ratios

Profit before tax/sales

Consolidated profit (loss) from ordinary activities before tax as a percentage of sales revenue

Current period

22.3%

Previous
corresponding period

2.1%

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

10.1%

0.9%

Earnings per security (EPS)

Calculation of basic, and fully diluted, EPS in accordance with AASB 1027: Earnings per Share

(a) Basic EPS

Current period

10.2 cents

Previous
corresponding period

0.8 cents

(b) Diluted EPS (if materially different from (a))

NTA backing

Net tangible asset backing per ordinary security

Current period

91.8 cents

Previous
corresponding period

77.7 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	6	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)	273	276
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

Proposed January 2004, exact date to be determined
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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)

Proposed January 2004, exact date to be determined
--

Amount per security

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

Annexure 3A
Half Yearly/Yearly Disclosure

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

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

Total dividend (distribution)

	Current period \$A'000	Previous corresponding period - \$A'000
Ordinary securities	160	Nil
Preference securities	NA	NA
Total	160	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	160	Nil
Preference securities	NA	NA
Total	160	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)

At a board meeting on 27 August 2003, the directors recommended payment of an unfranked dividend of 5.0 cents per ordinary share. This dividend is expected to be paid in January 2004.

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	Nil	Nil	NA	NA
Convertible debt securities <i>(description and conversion factor)</i>	Nil	Nil	NA	NA
Changes during current period	Nil	Nil	NA	NA

			Exercise price	Expiry date
Options <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

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	2,137	2,281	Nil	Nil	2,137	2,281
Other revenue	Nil	Nil	Nil	Nil	Nil	Nil
Expenses from ordinary activities	(1,660)	(2,233)	Nil	Nil	(1,660)	(2,233)
Profit (loss) before tax	477	48	Nil	Nil	477	48
Less tax	(151)	(22)	Nil	Nil	(151)	(22)
Profit (loss) from ordinary activities after tax	326	26	Nil	Nil	326	26

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	966	372	Nil	Nil	966	372
Net investing cash flows	(144)	(63)	Nil	Nil	(144)	(63)

Annexure 3A
Half Yearly/Yearly Disclosure

Net financing cash flows	(418)	(498)	Nil	Nil	(418) (498)

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 before tax of \$476,578 (last year \$48,113) – a tenfold increase. This is the company's best year to date. It has been driven by three key factors:

1. a large increase in throughput of 40,579 head (31.0%).
2. re-financing of the company, to lower borrowing costs by \$38,330 (11.7%).
3. the ability of the company to convert a large percentage of the extra revenue to profit.

Land development made a modest contribution to the final profit. The small animal sector performed well again and the store sales continued strongly throughout the year. The extended dry and poor seasonal conditions brought inordinate numbers of stock onto the market, these factors are still distorting stock flows.

Annexure 3A

Half Yearly/Yearly Disclosure

At year end, the company debt had been lowered to \$3.5 million and substantial cash reserves were in hand.

Given the growing strength of the company, the Directors propose to pay a dividend of five cents per share in January, 2004. The directors are particularly pleased to be in a position to reward, to a modest level at least, the patience of shareholders. A dividend re-investment scheme, whereby all or part of dividends may be taken up as a further issue of shares, will be initiated.

Stage 8 of the industrial land development has been completed and all lots settled for a profit of \$72,485. Stage 10 is now proceeding with several sale contracts nearing finalisation. There will only be a small profit in this stage, however it clears the way for much more profitable sales to be made at the rear of the premises.

During the year a security fence was constructed around the perimeter of the facility (\$59,617) to which electronically controlled gates are yet to be added. Shrub and tree plantings have commenced along the now fenced boundary.

The VLE dam water level dropped below the suction reach of the pump thus necessitating, for the first time, purchase of potable water for truck washing.

Last year the accounts were impacted by the effects of "Stage 8" land development being incomplete. This year there is only a small amount of incomplete work and accordingly the payables and receivables figures are much lower.

Shareholder rebates of \$47,678 were paid for the year.

The company operations have again proven to be flexible and robust with a stable cost base.

The company has commenced a new service, "VLE Advisory Services", selling saleyard management and design expertise. It has also commenced a mobile electronic ear-tag reading service which is available to other marketing centres.

The operations of the company were actively promoted throughout Victoria and in other states during the year. The Managing Director hosted visits to the company facility by interested persons, including Governor Landy and the Managing Director of Westpac, Mr. David Morgan.

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

The poor pasture production season across south eastern Australia, which has turned to drought in many areas, caused a rush of livestock selling at sale centres during the year ended 30 June 2003. VLE has benefited from this stock flow. The increased activity may not be sustainable long term. Caution should be exercised when reviewing the accounts and the seasonal factors kept in mind.

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)

Annexure 3A
Half Yearly/Yearly Disclosure

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

\$Nil

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

None

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

None

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Additional disclosure for trusts

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

NA

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

NA

Identify:

- Initial service charges
- Management fees
- Other fees

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Annexure 3A
Half Yearly/Yearly Disclosure

Annual meeting

(Annual statement only)

The annual meeting will be held as follows:

Place	Exchange Drive, Pakenham
Date	Wednesday 26 November, 2003
Time	9:00 am
Approximate date the annual report will be available	24 October, 2003

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)

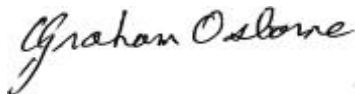
- ☒ The financial statements have been audited.

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:

(Managing Director)

Date: 12 September 2003

Print name:

Graham William 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.