



InvoCare Limited

Interim financial report

For the half-year ended 30 June 2012

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InvoCare Limited

Directors' report

Your directors present their report on the consolidated entity consisting of InvoCare Limited and the entities it controlled at the end of, or during, the half-year ended 30 June 2012.

Directors

The persons who were directors of InvoCare Limited during the half-year and until the date of this report are as below. The directors were in office for the entire period.

Ian Ferrier
 Andrew Smith
 Christine Clifton
 Roger Penman
 Benjamin Chow
 Richard Fisher
 Aliza Knox

Mr Richard Davis was appointed a director on 21 February 2012 and continues in office at the date of this report.

Review of operations

The Group's operating earnings after tax was \$18,950,000 for the half-year ended 30 June 2012 (2011: \$15,384,000). The consolidated after tax profit of the Group attributable to shareholders was \$20,314,000 (2011: \$14,464,000).

The results highlights are set out in the following table, which also reconciles operating earnings after tax to net profit after tax:

	Half-year 2012 \$'000	Half-year 2011 \$'000	Change	
			\$'000	%
Total sales to external customers	174,811	140,458	34,353	24.5%
Other revenue	3,354	2,758	596	21.6%
Operating expenses ⁽ⁱ⁾	(135,539)	(108,068)	(27,471)	25.4%
Operating EBITDA ^{(i) (ii)}	42,626	35,148	7,478	21.3%
<i>Operating Margin</i>	24.4%	25.0%		-0.6%
Depreciation and amortisation	(7,987)	(5,950)	(2,037)	34.3%
Finance costs	(8,092)	(6,320)	(1,772)	28.0%
Interest income	443	381	62	16.5%
Business acquisition costs	20	(985)	1,005	-102.0%
Operating earnings before tax ⁽ⁱⁱ⁾	27,010	22,274	4,736	21.3%
Income tax expense ⁽ⁱⁱ⁾	(8,060)	(6,890)	(1,170)	17.0%
<i>Effective tax rate</i>	29.8%	30.9%		-1.1%
Operating earnings after tax ⁽ⁱⁱ⁾	18,950	15,384	3,566	23.2%
Operating earnings per share ⁽ⁱⁱ⁾	17.3 cents	15.0 cents	2.3 cents	15.3%
Net loss on undelivered prepaid contracts after tax ⁽ⁱⁱ⁾	(423)	(891)	468	
Asset sale gains after tax ⁽ⁱⁱ⁾	1,842	24	1,818	
Non-controlling interest	(55)	(53)	(2)	
Net profit after tax attributable to InvoCare shareholders	20,314	14,464	5,850	40.5%
Basic earnings per share	18.6 cents	14.1 cents	4.5 cents	31.9%
Dividends				
Interim ordinary dividend per share	15.0 cents	13.5 cents	1.5 cents	11.1%

(i) Operating EBITDA excludes net gains or losses on undelivered prepaid contracts and acquisition related expenses.

(ii) Non IFRS related financial information.

InvoCare Limited

Directors' report

Operating EBITDA and operating earnings are financial measures which are not prescribed by Australian Accounting Standards ("AAS") and represent the earnings under AAS adjusted for specific non-cash items and significant items. The table above summarises the key reconciling items between net profit after tax attributable to InvoCare shareholders and operating EBITDA and operating earnings before and after tax. The operating EBITDA and operating earnings before and after tax information included in the table above has not been subject to any specific audit or review procedures by our auditor but has been extracted from the accompanying financial report.

Sales to customers increased 24.5% to \$174,811,000, including contributions of \$33,004,000 from the Bledisloe acquisition completed on 15 June 2011. Excluding the acquisition, comparable business sales grew by 3.6% to \$141,807,000. This growth was largely price driven with the number of deaths declining year on year.

Operating EBITDA was up 21.3% to \$42,626,000, including contributions of \$6,300,000 from Bledisloe. Excluding the acquisition, comparable business EBITDA grew by 5.1% to \$36,326,000.

Dividend

The directors have determined a fully franked interim dividend of 15.0 cents per share (2011: 13.5 cents per share fully franked) which will be paid on 5 October 2012.

The Dividend Reinvestment Plan ("DRP") will apply, with shares to be purchased on market and allocated at no discount from the weighted average market price of the Company's shares traded during the first ten (10) trading days after (but not including) the record date of 16 September 2012. Any shortfall in the DRP take up will not be underwritten.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 3.

Rounding of amounts

The Company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded off to the nearest thousand dollars in accordance with that Class Order.

Signed in accordance with a resolution of the directors.



Ian Ferrier
Director



Andrew Smith
Director

Sydney
16 August 2012



Auditor's Independence Declaration

As lead auditor for the review of InvoCare Limited for the half-year ended 30 June 2012, I declare that, to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of InvoCare Limited and the entities it controlled during the period.

A handwritten signature in blue ink, appearing to read 'B Entwistle'.

Brett Entwistle
Partner
PricewaterhouseCoopers

Sydney
16 August 2012

InvoCare Limited
Consolidated income statement
For the half-year ended 30 June 2012

	Notes	Half-year	
		2012 \$'000	2011 \$'000
Revenue from continuing operations		178,165	143,216
Finished goods, consumables and funeral disbursements		(50,431)	(40,894)
Employee benefits expense		(44,526)	(35,512)
Employee related and on-cost expenses		(9,444)	(8,309)
Advertising and public relations expenses		(6,326)	(4,915)
Occupancy and facilities expenses		(12,009)	(9,480)
Motor vehicle expenses		(3,819)	(2,733)
Other expenses		(8,984)	(6,225)
		42,626	35,148
Depreciation, amortisation and impairment expense		(7,987)	(5,950)
Finance costs		(8,092)	(6,320)
Interest income		443	381
Net loss on undelivered prepaid contracts	3	(605)	(1,273)
Acquisition related expenses		20	(985)
Net gain on disposal of non-current assets		1,784	34
Profit before income tax		28,189	21,035
Income tax expense		(7,820)	(6,518)
Profit from continuing activities		20,369	14,517
Profit for the half-year		20,369	14,517
Profit is attributable to:			
Equity holders of InvoCare Limited		20,314	14,464
Non-controlling interests		55	53
		20,369	14,517
Earnings per share for profit attributable to the ordinary equity holders of the Company:			
Basic earnings per share (cents per share)	6	18.6	14.1
Diluted earnings per share (cents per share)	6	18.6	14.1

The above consolidated income statement should be read in conjunction with the accompanying notes.

InvoCare Limited

Consolidated statement of comprehensive income

For the half-year ended 30 June 2012

	Notes	Half-year	
		2012 \$'000	2011 \$'000
Profit for the half-year		20,369	14,517
Other comprehensive income			
Changes in fair value of cash flow hedges, net of tax		(1,740)	(1,186)
Changes in foreign currency translation reserve, net of tax		829	75
Other comprehensive income for the half-year		(911)	(1,111)
Total comprehensive income for the half-year		19,458	13,406
Total comprehensive income for the half-year is attributable to:			
Equity holders of InvoCare Limited		19,403	13,353
Non-controlling interests		55	53
		19,458	13,406

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

InvoCare Limited
Consolidated balance sheet
As at 30 June 2012

	Notes	30 June 2012 \$'000	31 December 2011 \$'000
ASSETS			
Current assets			
Cash and cash equivalents		13,553	5,872
Trade and other receivables		33,960	32,354
Inventories		19,881	19,858
Prepaid contract funds under management	3	322,726	311,763
Deferred selling costs		602	590
Assets classified as held for sale		2,631	625
Total current assets		393,353	371,062
Non-current assets			
Trade and other receivables		14,722	13,758
Other financial assets		61	4
Property, plant and equipment		279,235	282,538
Intangible assets		130,551	130,791
Deferred selling costs		8,427	8,264
Total non-current assets		432,996	435,355
Total assets		826,349	806,417
LIABILITIES			
Current liabilities			
Trade and other payables		29,078	28,355
Borrowings		-	1,872
Current tax liabilities		4,322	8,278
Prepaid contract liabilities	3	328,307	317,598
Deferred revenue		3,198	3,112
Provisions for employee benefits		12,047	11,688
Total current liabilities		376,952	370,903
Non-current liabilities			
Trade and other payables		47	70
Borrowings		224,253	214,034
Derivative financial instruments		9,375	6,873
Deferred tax liabilities		27,152	28,415
Deferred revenue		43,214	41,928
Provisions for employee benefits		1,754	1,577
Total non-current liabilities		305,795	292,897
Total liabilities		682,747	663,800
Net assets		143,602	142,617
EQUITY			
Contributed equity	5	132,687	133,336
Reserves		(3,788)	(2,934)
Retained profits	7	13,517	11,084
Parent entity interest		142,416	141,486
Non-controlling interest		1,186	1,131
Total equity		143,602	142,617

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

InvoCare Limited

Consolidated statement of changes in equity

For the half-year ended 30 June 2012

	Attributable to owners of InvoCare Limited				Non-controlling interest	Total Equity
	Contributed equity \$'000	Reserves \$'000	Retained earnings \$'000	Total \$'000		
Balance at 1 January 2012	133,336	(2,934)	11,084	141,486	1,131	142,617
Total comprehensive income for the half year	-	(911)	20,314	19,403	55	19,458
Transactions with owners in their capacity as owners:						
Dividends paid	-	-	(17,881)	(17,881)	-	(17,881)
Deferred employee share plan shares vesting during the year	377	(377)	-	-	-	-
Acquisition of shares by the InvoCare Deferred Share Plan Trust	(1,265)	-	-	(1,265)	-	(1,265)
Forfeit of shares on termination of employment	239	-	-	239	-	239
Employee shares – value of services	-	434	-	434	-	434
Balance at 30 June 2012	132,687	(3,788)	13,517	142,416	1,186	143,602
Balance at 1 January 2011	79,937	2,088	14,259	96,284	1,139	97,423
Total comprehensive income for the half year	-	(1,111)	14,464	13,353	53	13,406
Transactions with owners in their capacity as owners:						
Contributions of equity net of transaction costs	37,935	-	-	37,935	-	37,935
Dividends paid	-	-	(15,619)	(15,619)	(68)	(15,687)
Dividend Reinvestment Plan issues	1,491	-	-	1,491	-	1,491
Deferred employee share plan shares vesting during the year	627	(627)	-	-	-	-
Acquisition of shares by the InvoCare Deferred Share Plan Trust	(1,237)	-	-	(1,237)	-	(1,237)
Employee shares – value of services	-	531	-	531	-	531
Balance at 30 June 2011	118,753	881	13,104	132,738	1,124	133,862

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

InvoCare Limited

Consolidated statement of cash flows

For the half-year ended 30 June 2012

	Half-year	
	2012 \$'000	2011 \$'000
Cash flows from operating activities		
Receipts from customers (including goods & services tax)	182,390	154,479
Payments to suppliers (including goods & services tax)	(143,346)	(121,326)
Other revenue	3,354	2,543
	42,398	35,696
Interest received	147	69
Finance costs	(7,891)	(6,021)
Income tax paid	(11,374)	(8,628)
Net cash inflow from operating activities	23,280	21,116
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	2,894	75
Purchase of property, plant and equipment	(8,337)	(7,482)
Purchase of subsidiaries, net of cash acquired	-	(42,456)
Net cash used in investing activities	(5,443)	(49,863)
Cash flows from financing activities		
Payment for shares acquired by InvoCare Deferred Employee Share Plan Trust	(1,265)	(1,238)
Proceeds from borrowings	16,459	97,034
Repayment of borrowings	(7,500)	(50,886)
Payment of dividends – InvoCare Limited shareholders (net of Dividend Reinvestment Plan share issues \$0 (2011: \$1,491,000))	(17,881)	(14,128)
Dividends paid to non-controlling interests in subsidiaries	-	(68)
Repayment of finance lease	-	(39)
Net cash (outflow)/inflow from financing activities	(10,187)	30,675
Net increase in cash and cash equivalents	7,650	1,928
Cash and cash equivalents at the beginning of the half-year	5,872	5,123
Effect of exchange rate changes on cash and cash equivalents	31	276
Cash and cash equivalents at the end of the half-year	13,553	7,327

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

InvoCare Limited

Notes to the consolidated financial statements

30 June 2012

1 Basis of preparation of the half-year report

This general purpose financial report for the interim half-year reporting period ended 30 June 2012 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the annual report for the year ended 31 December 2011 and any public announcements made by InvoCare Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

2 Segment information

The segment information regularly provided to the Chief Executive Officer for the reportable operating segments for the half-year ended 30 June 2012 is as follows:

	Australian Operations		Singapore Operations		New Zealand Operations		Consolidated	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Revenue from external customers	155,248	134,491	5,367	4,608	14,196	1,359	174,811	140,458
Other revenue (excluding interest income)	3,245	2,643	87	88	22	27	3,354	2,758
Operating expenses	(120,980)	(104,622)	(2,671)	(2,440)	(11,888)	(1,006)	(135,539)	(108,068)
Operating EBITDA	37,513	32,512	2,783	2,256	2,330	380	42,626	35,148
Depreciation and amortisation	(7,040)	(5,679)	(241)	(241)	(706)	(30)	(7,987)	(5,950)
Finance costs	(7,125)	(5,970)	(285)	(306)	(682)	(44)	(8,092)	(6,320)
Interest income	378	379	-	-	65	2	443	381
Business acquisition costs	22	(985)	-	-	(2)	-	20	(985)
Operating earnings before tax	23,748	20,257	2,257	1,709	1,005	308	27,010	22,274
Income tax expense	(7,286)	(6,500)	(314)	(292)	(460)	(98)	(8,060)	(6,890)
Operating earnings after tax	16,462	13,757	1,943	1,417	545	210	18,950	15,384
After tax loss on prepaid contract movements	(423)	(891)	-	-	-	-	(423)	(891)
Profit on sale of assets after tax	1,866	24	4	-	(28)	-	1,842	24
Non-controlling interest	(55)	(53)	-	-	-	-	(55)	(53)
Net profit after tax attributable to equity holders of InvoCare Limited	17,850	12,837	1,947	1,417	517	210	20,314	14,464
Total assets	757,045	742,149	29,433	26,822	39,871	37,446	826,349	806,417

InvoCare Limited

Notes to the consolidated financial statements continued

30 June 2012

3 Prepaid contracts

(a) Income statement impact of undelivered prepaid contracts

	2012 \$'000	2011 \$'000
Gain on prepaid contract funds under management	8,208	21
Change in provision for prepaid contract liabilities	(8,813)	(1,294)
Net loss on undelivered prepaid contracts	(605)	(1,273)

(b) Movements in prepaid contract funds under management

	2012 \$'000	2011 \$'000
Balance at the beginning of the year	311,763	273,544
Sale of new prepaid contracts	14,125	12,717
Initial recognition of contracts paid by instalment	1,114	859
Redemption of prepaid contract funds following service delivery	(12,484)	(12,636)
Increase due to business combinations net of assets held for sale	-	33,539
Increase in fair value of contract funds under management	8,208	21
Balance at the end of the half-year	322,726	308,044

(c) Movements in prepaid contract liabilities

	2012 \$'000	2011 \$'000
Balance at the beginning of the year	317,598	264,646
Sale of new prepaid contracts	14,125	12,717
Initial recognition of contracts paid by instalment	1,114	859
Decrease following delivery of services	(13,343)	(12,073)
Increase due to business combinations net of assets held for sale	-	33,539
Increase due to re-evaluation of delivery obligation	8,813	1,294
Balance at the end of the half-year	328,307	300,982

(d) Nature of contracts under management and liabilities

Prepaid contracts are tripartite agreements whereby InvoCare agrees to deliver a specified funeral service, cremation or burial at the time of need and the beneficiary invests the current price of the service to be delivered with a financial institution and conditionally assigns the benefit to InvoCare. InvoCare records the value of the invested funds as an asset and revalues the invested funds to fair value at the end of each reporting period. InvoCare also records a liability at the current selling price of the service to be delivered and adjusts this liability for actual and /or expected changes in selling prices during the period.

The assignment of the benefit of the invested funds to InvoCare only becomes unconditional when InvoCare demonstrates that it has delivered the service specified. InvoCare receives the investment returns as well as the initial investment when the service has been delivered.

As required by law, the funds are controlled by trustees who are independent of InvoCare.

InvoCare Limited

Notes to the consolidated financial statements continued

30 June 2012

4 Dividends

	Half-year ended	
	2012 \$'000	2011 \$'000
Dividend paid during the half-year		
Final dividend in respect of the previous year of 16.25 cents (2011: 15.25 cents) per fully paid ordinary share, fully franked based on tax paid at 30%.	17,881	15,619
Dividends paid to non-controlling interest for 2010 of 8.45 cents per fully paid share fully franked based on tax paid at 30%.	-	68
Dividends not recognised at the end of the half-year		
In addition to the above dividends, since the end of the half-year the directors have recommended the payment of an interim dividend of 15.0 cents per fully paid ordinary share (2011: 13.5 cents), fully franked based on tax paid at 30%. The aggregate amount of the proposed dividend expected to be paid on 5 October 2012 (2011: 7 October 2011), but not recognised as a liability at the end of the half-year, is	16,504	14,491
Franking credit balance		
The amount of franking credits available for subsequent financial years are:		
Franking account balance at the end of the reporting period	26,157	23,317
Franking credits that will arise from the payment of income tax payable at the end of the reporting period	3,061	4,620
Reduction in franking account resulting from the payment of the proposed interim dividend of 15.0 cents (2011: 13.5 cents)	(7,073)	(6,210)
	22,145	21,727

5 Movements in contributed equity

	2012 Shares	2011 Shares	2012 \$'000	2011 \$'000
Ordinary shares				
Dividend reinvestment plan issues	-	214,382	-	1,491
Shares issued as consideration in a business combination net of issue costs	-	5,277,227	-	37,935
	-	5,491,609	-	39,426
Treasury shares				
Movement of treasury shares during the half-year				
Shares vesting during the half-year	66,946	113,895	377	627
Shares forfeited during the half-year	38,339	-	239	-
Acquisition of shares by the InvoCare Deferred Share Plan Trust	(142,840)	(167,923)	(1,265)	(1,237)
	(37,555)	(54,028)	(649)	(610)

6 Earnings per share

	2012 Shares	2011 Shares
The Weighted average number of ordinary shares used as a denominator in calculating:		
Basic earnings per share	109,448,454	102,433,453
Diluted earnings per share	109,448,454	102,433,453

InvoCare Limited

Notes to the consolidated financial statements continued

30 June 2012

7 Retained profits

The transition to AIFRS resulted in \$47,084,000 being charged against retained earnings of the consolidated entity at 1 January 2004. These adjustments primarily related to the recognition of deferred tax liabilities and impairment losses on cemetery and crematorium land and gave rise to consolidated net accumulated losses. There is a possibility the deferred tax liability may be reversed in a future reporting period if a change to AIFRS currently under consideration by the standard setting authorities is adopted.

The AIFRS transitional adjustments will not materially adversely impact or restrict the Group's current and future profitability, cash flows or dividend capability. Since making the transition to AIFRS, the Group has distributed all available previous AGAAP profits as dividends and continues to distribute dividends from AIFRS reported profits.

The following table shows the movements in the consolidated entity's retained earnings / (accumulated losses) since transition to AIFRS on 1 January 2004, set out in separate sub-account components relating to, firstly previously reported AGAAP retained earnings, secondly the AIFRS transitional adjustments to retained earnings and finally AIFRS determined profits. The amounts of retained earnings AIFRS transitional adjustments which have since reversed into profits amount to \$4,614,000. These are shown as transfers in the table below and comprise reversals of:

- non-current asset impairment losses of \$1,691,000 (net of tax);
- AASB 132 and AASB 139 financial instruments adjustments \$861,000 (net of tax); and
- temporary differences relating to the deferred tax liability established at transition to AIFRS \$3,784,000.

	Previously reported AGAAP earnings \$'000	Transitional AIFRS adjustments to retained earnings \$'000	Post AIFRS adoption reported earnings \$'000	Total \$'000
Balance of retained earnings/(accumulated losses) as at 1 January 2004	11,033	(47,084)	-	(36,051)
Profit after tax for the 2004 year	17,088	-	2,167	19,255
Dividends paid during 2004	(6,080)	-	-	(6,080)
Transitional AIFRS adjustment on 1 January 2005 relating to the adoption of AASB 132 and AASB 139	-	861	-	861
Profit after tax for the 2005 year	-	-	20,141	20,141
Dividends paid during 2005	(22,041)	-	(3,462)	(25,503)
Profit after tax for the 2006 year	-	-	24,047	24,047
Dividends paid during the 2006 year	-	-	(17,005)	(17,005)
Profit after tax for the 2007 year	-	-	27,554	27,554
Dividends paid during the 2007 year	-	-	(21,395)	(21,395)
Profit after tax for the 2008 year	-	-	28,026	28,026
Dividends paid during the 2008 year	-	-	(23,066)	(23,066)
Profit after tax for the 2009 year	-	-	48,140	48,140
Dividends paid during the 2009 year	-	-	(24,761)	(24,761)
Profit after tax for the 2010 year	-	-	27,366	27,366
Dividends paid during 2010	-	-	(27,270)	(27,270)
Profit after tax for the 2011 year	-	-	27,012	27,012
Dividends paid during 2011	-	-	(30,187)	(30,187)
Profit after tax for the 2012 half-year	-	-	20,314	20,314
Dividends paid during the 2012 half-year	-	-	(17,881)	(17,881)
Transfers between sub-accounts	-	4,614	(4,614)	-
Balance of retained earnings/(accumulated losses) as at 30 June 2012	-	(41,609)	55,126	13,517

InvoCare Limited

Notes to the consolidated financial statements continued

30 June 2012

8 Business combinations

The acquisition of the Bledisloe Group, completed on 15 June 2011, was accounted for provisionally as at the 31 December 2011. Subsequently, further information has come to light about certain events prior to the acquisition date which has caused a re-assessment of the fair values recognised as at 31 December 2011. The following table outlines the movements.

	Fair ¹ Value on Acquisition \$'000	Assets ² Disposed \$'000	Adjustment to Fair Values \$'000	Revised Fair value \$'000
Receivables	5,629	(70)	(163)	5,396
Inventories	1,395	(148)	-	1,247
Prepaid contract funds under management	37,393	(3,213)	-	34,170
Property, plant and equipment	51,123	(2,028)	(807)	48,288
Other financial assets	4	-	-	4
Intangible assets: Brand name	6,504	(359)	-	6,145
Trade and other payables	(9,109)	-	-	(9,109)
Bank overdraft	(187)	-	-	(187)
Income tax payable	(531)	-	-	(531)
Prepaid contract liabilities	(37,393)	3,213	-	(34,180)
Prepaid contract onerous liabilities	(588)	-	-	(588)
Provisions	(2,372)	219	977	(1,176)
Long term borrowings	(37,758)	-	-	(37,758)
Deferred purchase consideration	(372)	-	-	(372)
Deferred tax liabilities	(3,577)	188	950	(2,439)
Net identifiable assets acquired	10,161	(2,198)	957	8,910

1. The Fair Value on Acquisition is the initial value ascribed to all Bledisloe assets and liabilities acquired on 15 June 2011 and as reported in the financial report dated 31 December 2011.
2. Assets disposed represent the fair value of assets and liabilities of Gregory & Carr and Great Northern Garden of Remembrance that were disposed of in accordance with the ACCC undertaking as disclosed in the financial report dated 31 December 2011.

Goodwill arising from this acquisition has been reduced by \$957,000 to \$62,744,000.

InvoCare Limited

Notes to the consolidated financial statements continued

30 June 2012

9 Contingencies

	30 June 2012 \$'000	31 December 2011 \$'000
The parent entity and consolidated entity had contingent liabilities at 30 June 2012 in respect of bank guarantees given for leased premises of controlled entities to a maximum of:	1,239	1,242

10 Events occurring after balance date

In the opinion of the directors there have been no significant events that affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity since 30 June 2012.

InvoCare Limited

Directors' declaration

30 June 2012

In the directors' opinion:

- (a) the financial statements and notes set out on pages 4 to 14 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporation Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2012 and of its performance for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that InvoCare Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



Ian Ferrier
Director

Sydney
16 August 2012



Andrew Smith
Director



Independent auditor's review report to the members of InvoCare Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of InvoCare Limited, which comprises the balance sheet as at 30 June 2012, and the income statement, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for the InvoCare Limited (the consolidated entity). The consolidated entity comprises both InvoCare Limited (the company) and the entities it controlled during that half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2012 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of InvoCare Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

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Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of InvoCare Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2012 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Matters relating to the electronic presentation of the reviewed financial report

This review report relates to the financial report of the company for the half-year ended 30 June 2012 included on InvoCare Limited's web site. The company's directors are responsible for the integrity of the InvoCare Limited web site. We have not been engaged to report on the integrity of this web site. The review report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the reviewed financial report to confirm the information included in the reviewed financial report presented on this web site.

PricewaterhouseCoopers

PricewaterhouseCoopers

Brett Entwistle

Brett Entwistle
Partner

Sydney
16 August 2012