

Inverloch & District Financial Enterprises Limited

ABN: 13 117 672 590

Financial Statements

For the half-year ended 31 December 2016

Inverloch & District Financial Enterprises Limited

Directors' Report

Your directors submit the financial report of the company for the half-year ended 31 December 2016.

Directors

The names of directors who held office during the half-year and until the date of this report are as below:

Alan Keith Gostelow
Tristan Andrew Creed
Maxwell Alexander Warlow
Domenic Anthony Brusamarello
Susan Joy Ruffin
Trevor Andrew Dando
Kate Anthea Dwyer (*Appointed 29 July 2016*)
Alisha Dee Gilliland (*Appointed 29 July 2016*)
Suzette Anna-Lynne Moyle (*Resigned 5 November 2016*)

Principal activities

The principal activities of the company during the financial year were facilitating Community Bank® services under management rights to operate a franchised branch of Bendigo and Adelaide Bank Limited.

Review of operations

Operations have continued to perform in line with expectations. The net profit of the company for the financial period after the provision of income tax was:

Half-year ended 31 December 2016	Half-year ended 31 December 2015
\$ 28,332	\$ 23,353

Events after the end of the reporting period

There are no matters or circumstances that have arisen since the end of the half-year reporting period that have significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company.

Auditor's independence declaration

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 2.

Signed in accordance with a resolution of the directors at Inverloch, Victoria on 1 February 2017.

Chairman


Alan Keith Gostelow

Lead auditor's independence declaration under section 307C of the *Corporations Act 2001* to the directors of Inverloch & District Financial Enterprises Limited

We declare that, to the best of our knowledge and belief, for the half-year ended 31 December 2016 there have been no contraventions of:

- i. the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review
- ii. any applicable code of professional conduct in relation to the review.



Andrew Frewin Stewart
61 Bull Street, Bendigo Vic 3550
Dated: 1 February 2017



David Hutchings
Lead Auditor

Inverloch & District Financial Enterprises Limited

Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2016

	2016 \$	2015 \$
Revenue from ordinary activities	339,296	328,630
Employee benefits expense	(166,347)	(156,594)
Charitable donations, sponsorship, advertising and promotion	(17,100)	(26,750)
Occupancy and associated costs	(34,017)	(34,978)
Systems costs	(9,610)	(9,476)
Depreciation and amortisation expense	(10,811)	(10,864)
Finance costs	(763)	(518)
General administration expenses	(61,748)	(56,608)
Profit before income tax	38,900	32,842
Income tax expense	(10,568)	(9,489)
Profit after income tax	28,332	23,353
Total other comprehensive income for the half-year attributable to the ordinary shareholders of the company:	28,332	23,353
Earnings per Share	¢	¢
Basic earnings per share:	3.78	3.11

Inverloch & District Financial Enterprises Limited

Balance Sheet

As At 31 December 2016

	31-Dec-2016	30-Jun-2016
	\$	\$
ASSETS		
Current assets		
Cash and cash equivalents	560,923	548,526
Trade and other receivables	53,300	44,594
Current tax asset	-	9,791
Total current assets	614,223	602,911
Non-current assets		
Property, plant and equipment	68,011	69,591
Intangible assets	92,943	99,736
Total non-current assets	160,954	169,327
TOTAL ASSETS	775,177	772,238
LIABILITIES		
Current liabilities		
Trade and other payables	22,946	25,614
Current tax liabilities	4,555	-
Borrowings	5,718	5,718
Total current liabilities	33,219	31,332
Non-current liabilities		
Borrowings	13,190	15,361
Deferred tax liabilities	5,099	3,958
Total non-current liabilities	18,289	19,319
TOTAL LIABILITIES	51,508	50,651
NET ASSETS	723,669	721,587
EQUITY		
Issued capital	729,547	729,547
Accumulated losses	(5,878)	(7,960)
TOTAL EQUITY	723,669	721,587

Inverloch & District Financial Enterprises Limited

Statement of Changes in Equity

For the half-year ended 31 December 2016

	Issued Capital \$	Accumulated Losses \$	Total Equity \$
Balance at 1 July 2015	729,547	(44,664)	684,883
Total comprehensive income for the half-year	-	23,353	23,353
Transactions with owners in their capacity as owners:			
Shares issued during period	-	-	-
Costs of issuing shares	-	-	-
Dividends provided for or paid	-	-	-
Balance at 31 December 2015	729,547	(21,311)	708,236
Balance at 1 July 2016	729,547	(7,960)	721,587
Total comprehensive income for the half-year	-	28,332	28,332
Transactions with owners in their capacity as owners:			
Shares issued during period	-	-	-
Costs of issuing shares	-	-	-
Dividends provided for or paid	-	(26,250)	(26,250)
Balance at 31 December 2016	729,547	(5,878)	723,669

Inverloch & District Financial Enterprises Limited

Statement of Cash Flows

For the half-year ended 31 December 2016

	2016 \$	2015 \$
Cash flows from operating activities		
Receipts from customers	352,187	342,482
Payments to suppliers and employees	(320,668)	(323,108)
Interest paid	(763)	(518)
Interest received	7,923	10,141
Income taxes paid	4,919	(1,878)
Net cash provided by operating activities	43,598	27,119
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,780)	(1,649)
Net cash used in investing activities	(2,780)	(1,649)
Cash flows from financing activities		
Proceeds from borrowings	-	25,000
Repayment of borrowings	(2,171)	(1,751)
Dividends paid	(26,250)	-
Net cash provided by/(used in) financing activities	(28,421)	23,249
Net increase in cash held	12,397	48,719
Cash and cash equivalents at the beginning of the financial year	548,526	526,554
Cash and cash equivalents at the end of the half-year	560,923	575,273

Inverloch & District Financial Enterprises Limited

Notes to the Financial Statements

For the half-year ended 31 December 2016

Note 1. Summary of significant accounting policies

Statement of compliance

The half-year financial statements are a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34: *Interim Financial Reporting*.

Basis of preparation

The half-year financial report is intended to provide users with an update on the latest annual financial statements and does not include all the notes of the type normally included in an annual financial report. Accordingly the report shall be read in conjunction with the annual financial report for the year ended 30 June 2016 and any public announcements made by the company during the period.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements and the previous corresponding interim period.

The half-year financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

There are no new and revised Accounting Standards or amendments thereof and Interpretations effective for the current reporting period relevant to the company that were not disclosed in the annual financial report for the year ended 30 June 2016.

Note 2. Events subsequent to reporting date

There have been no events subsequent to reporting date that would materially effect the financial statements at the reporting date.

Note 3. Contingent assets and liabilities

There were no contingent assets or liabilities at the date of this report to affect the financial statements.

Note 4. Segment reporting

The economic entity operates in a single service sector where it facilitates community banking services in Inverloch Victoria pursuant to a franchise agreement with Bendigo and Adelaide Bank Limited.

Note 5. Related parties

Arrangements with related parties continue to be in place. For details on these arrangements, refer to the 30 June 2016 annual financial report.

Note 6. Dividends paid/provided	2016		2015	
	Cents	\$	Cents	\$

Dividend declared and paid during the period:	3.50	26,250	Nil	-
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100% fully franked (2015: Nil)

The tax rate at which dividends have been franked is 30% (2015: Nil).

Inverloch & District Financial Enterprises Limited

Directors' Declaration

In the opinion of the directors of Inverloch & District Financial Enterprises Limited ("the company"):

1. The financial statements and notes thereto are in accordance with the *Corporations Act 2001* including:
 - a. giving a true and fair view of the financial position of the entity as at 31 December 2016 and of its performance, as represented by the results of its operations and cash flows for the half-year ended on that date;
 - b. complying with Australian Accounting Standard *AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*; and
2. There are reasonable grounds to believe that the company 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 Board of Directors.

Chairman



Alan Keith Gostelow

Dated this

1st

day of

February

2017.

Independent auditor's review report to the members of Inverloch & District Financial Enterprises Limited

Report on the half-year financial report

We have reviewed the accompanying half-year financial report of Inverloch & District Financial Enterprises Limited, which comprises the balance sheet as at 31 December 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

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*. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 the 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 half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2016 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 Inverloch & District Financial Enterprises 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 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.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by directors or management.

Independence

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

Auditor's opinion

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 Inverloch & District Financial Enterprises Limited is not in accordance with the *Corporations Act 2001* including:

- a. giving a true and fair view of the company's financial position at 31 December 2016 and of its performance for the half-year ended on that date
- b. complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

Report on the remuneration report


We have reviewed the remuneration report included in the directors' report for the half-year ended 31 December 2016. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our review conducted in accordance with the Auditing Standard on Review Engagements ASRE 2410: Review of a Financial Report Performed by the Independent Auditor of the Entity.

Auditor's opinion on the remuneration report

In our opinion, the remuneration report of Inverloch & District Financial Enterprises Limited for the half-year ended 31 December 2016, complies with section 300A of the *Corporations Act 2001*.



Andrew Frewin Stewart
61 Bull Street, Bendigo Vic 3550
Dated: 1 February 2017



David Hutchings
Lead Auditor

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Community Banking

Audit

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in success



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