

San Remo District Financial Services Limited

ABN: 20 102 770 150

Financial Report

As at 31 December 2016

San Remo District Financial Services Limited

ABN 20 102 770 150

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 or since the end of the half-year:

Terry Ashenden

Joan Matthews

Miranda Sage

Caroline Talbot

Janice Rowlingson

Bruce Proctor

Craig Semple

Patrick Russell

Peter Paul

Ray McNamara

Paul Waylen (appointed 30 Oct 2016)

Principal activities

The principal activities of the Company during the course of the financial period were providing community banking services under management rights to operate a franchised branch of Bendigo and Adelaide Bank Limited.

Review and results of operations

Operations have continued to perform in line with expectations. The net profit after income tax of the company for the financial period was \$75,914 (December 2015: \$66,164).

Matters subsequent to 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.

Significant changes in the state of affairs

In the opinion of the directors there were no significant changes in the state of affairs of the Company that occurred during the financial period under review not otherwise disclosed in this report.

Auditor's independence declaration

The auditor's independence declaration under Section 307C of the *Corporations Act 2001* is set out on page 2 for the half year ended 31 December 2016.

The director's report is signed in accordance with a resolution of the Board of Directors at Newhaven on 3 March 2017.



.....
Terence S Ashenden

Director

Dated: 3 March 2017



**Richmond
Sinnott &
Delahunty**

Chartered Accountants

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Auditor's Independence Declaration under section 307C of the *Corporations Act 2001* to the Directors of San Remo District Financial Services Limited

I declare that, to the best of my knowledge and belief, during 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; and
- (ii) any applicable code of professional conduct in relation to the review.

RICHMOND SINNOTT & DELAHUNTY

Chartered Accountants

Kathie Teasdale
Partner
Level 2, 10-16 Forest Street
Bendigo VIC 3550

Dated: 3 March 2017

San Remo District Financial Services Limited
ABN 20 102 770 150
Statement of Profit or Loss and Other Comprehensive Income
for the half-year ended 31 December 2016

	31 Dec 2016	31 Dec 2015
	\$	\$
Revenue	976,478	991,940
Expenses		
Employee benefits expense	500,798	498,285
Depreciation and amortisation	46,630	46,325
Administration and general costs	111,863	110,047
Finance costs	2,233	8,092
Bad and doubtful debts expense	987	550
Occupancy expenses	57,027	59,974
IT costs	43,889	45,082
Other expenses	37,436	21,572
	<u>800,863</u>	<u>789,927</u>
Profit before charitable donations & sponsorships	<u>175,615</u>	<u>202,013</u>
Charitable donations and sponsorship	68,207	104,129
Profit before income tax	<u>107,408</u>	<u>97,884</u>
Income tax expense	31,494	31,720
Profit for the period	<u>75,914</u>	<u>66,164</u>
Other comprehensive income	-	-
Total comprehensive income for the period	<u><u>75,914</u></u>	<u><u>66,164</u></u>
Profit attributable to members of the company	75,914	66,164
Total comprehensive income attributable to members of the company	<u><u>75,914</u></u>	<u><u>66,164</u></u>
Earnings per share (cents per share)		
- basic earnings per share	5.10	4.44

The accompanying notes form part of these financial statements

San Remo District Financial Services Limited
ABN 20 102 770 150
Statement of Financial Position
as at 31 December 2016

	31 Dec 2016 \$	30 Jun 2016 \$
ASSETS		
Current Assets		
Cash and cash equivalents	322,463	302,992
Trade and other receivables	127,760	133,623
Financial assets	172,318	170,171
Other assets	6,132	10,486
Total Current Assets	628,673	617,272
Non-Current Assets		
Property, plant and equipment	1,071,881	1,116,389
Intangible assets	152,508	172,842
Deferred tax assets	3,529	6,279
Total Non-Current Assets	1,227,918	1,295,510
Total Assets	1,856,591	1,912,782
LIABILITIES		
Current Liabilities		
Trade and other payables	200,388	204,512
Borrowings	46,008	56,376
Provisions	47,293	158,140
Current tax payable	45,653	24,368
Total Current Liabilities	339,342	443,396
Non-Current Liabilities		
Borrowings	11,869	39,920
Total Non-Current Liabilities	11,869	39,920
Total Liabilities	351,211	483,316
Net Assets	1,505,380	1,429,466
Equity		
Issued capital	1,423,739	1,423,739
Retained earnings	81,641	5,727
Total Equity	1,505,380	1,429,466

The accompanying notes form part of these financial statements

San Remo District Financial Services Limited
ABN 20 102 770 150
Statement of Changes in Equity
for the half-year ended 31 December 2016

	Note	Issued Capital \$	Retained earnings \$	Total Equity \$
Balance at 1 July 2015		1,423,739	4,953	1,428,692
Total comprehensive income for the period		-	66,164	66,164
Balance at 31 December 2015		<u>1,423,739</u>	<u>71,117</u>	<u>1,494,856</u>
 Balance at 1 July 2016		 1,423,739	 5,727	 1,429,466
Total comprehensive income for the period		-	75,914	75,914
Balance at 31 December 2016		<u>1,423,739</u>	<u>81,641</u>	<u>1,505,380</u>

The accompanying notes form part of these financial statements

San Remo District Financial Services Limited
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Statement of Cash Flows
for the half-year ended 31 December 2016

	31 Dec 2016	31 Dec 2015
	\$	\$
Cash Flows From Operating Activities		
Receipts from customers	1,078,416	939,636
Payments to suppliers and employees	(933,886)	(1,153,491)
Interest received	2,153	3,780
Interest paid	(2,233)	(6,791)
Income tax paid	(7,459)	18,571
Net cash flows from / (used in) operating activities	136,991	(198,295)
Cash Flows From Investing Activities		
Proceeds from sale of property, plant and equipment	12,722	10,455
Purchase of property, plant and equipment	(987)	(3,595)
Purchase of intangible assets	-	(148,571)
Purchase of investments	(2,149)	-
Net cash flows from / (used in) investing activities	9,586	(141,711)
Cash Flows From Financing Activities		
Proceeds from borrowings	-	(23,187)
Repayment of borrowings	(38,419)	-
Dividends paid	(88,687)	-
Net cash flows from / (used in) financing activities	(127,106)	(23,187)
Net increase / (decrease) in cash held	19,471	(363,193)
Cash and cash equivalents at beginning of period	302,992	731,156
Cash and cash equivalents at end of period	322,463	367,963

The accompanying notes form part of these financial statements

San Remo District Financial Services Limited
ABN 20 102 770 150
Notes to the Financial Statements
for the half-year ended 31 December 2016

1. Summary of significant accounting policies

(a) Basis of preparation

These general purpose interim financial statements for the half-year reporting period ended 31 December 2016 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard *AASB 134: Interim Financial Reporting*. The company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of San Remo District Financial Services Limited ("the Company"). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Company. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended 30 June 2016, together with any public announcements made during the following half-year.

(b) Accounting policies

The interim financial statements have been prepared in accordance with the same accounting policies adopted in the entity's last annual financial statements for the year ended 30 June 2016.

(c) Critical accounting estimates and judgements

The critical judgements, estimates and assumptions applied in the interim financial statements were the same as those applied in the entity's last annual financial statements for the year ended 30 June 2016.

(d) New and revised accounting requirements applicable to the current half year reporting period

The Company has considered the implications of any new or amended Accounting Standards, but determined that their application to the financial statements is either not relevant or not material.

2. Events after the End of the Interim Period

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

3. Contingent assets and liabilities

Since the last annual reporting date there has been no material change of any contingent assets or contingent liabilities.

4. Segment reporting

The economic entity operates in the financial services sector where it provides banking services to its clients. The economic entity operates in one geographic area being the Bass Coast Shire.

5. Earnings per share

	2016	2015
	\$	\$
Basic earnings per share (cents)	5.10	4.44
Earnings used in calculating basic earnings per share	75,914	66,164
Weighted average number of ordinary shares used in calculating basic earnings per share.	1,488,739	1,488,739

San Remo District Financial Services Limited
ABN 20 102 770 150
Directors Declaration
for the half-year ended 31 December 2016

In the opinion of the directors of San Remo District Financial Services Limited:

- (1) The financial statements and notes, as set out on pages 3 to 7 are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with Accounting Standard AASB 134 *Interim Financial Reporting*; and
 - (b) giving a true and fair view of the Company's financial position as at 31 December 2016 and of its performance for the half-year ended on that date.
- (2) In the directors opinion 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.



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Terence S Asheden
Director

Signed at Newhaven on 3 March 2017



INDEPENDENT AUDITOR'S REVIEW REPORT

To the directors of San Remo District Financial Services Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of San Remo District Financial Services Limited, which comprises the statement of financial position as at 31 December 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and the 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 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:

- i. 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
- ii. complying with Accounting Standard *AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

As the auditor of San Remo District Financial Services 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*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of San Remo District Financial Services Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

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 San Remo District Financial Services Limited is not in accordance with the *Corporations Act 2001* including:

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

Richmond Sinnott & Delahunty
Chartered Accountants



Kathie Teasdale
Partner

Dated: 3 March 2017