

Tongala & District Financial Services Limited

ABN: 22 094 331 665

Financial Report

As at 31 December 2016

Tongala & District Financial Services Limited
ABN 22 094 331 665
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:

Neil Pankhurst
Ken Chapman
Ian Johnstone
Jean Courtney
Jill Regan
Ian Taylor
Lyn Cosham
John Bentley
David Newman (resigned 28/9/16)
Mark Dunwoodle (resigned 28/9/16)
Ayden McGill (resigned 28/9/16)
Greg Rossborough (Appointed 28/9/16)

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 of the company for the financial period was \$43,202 (December 2015: \$30,886).

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.

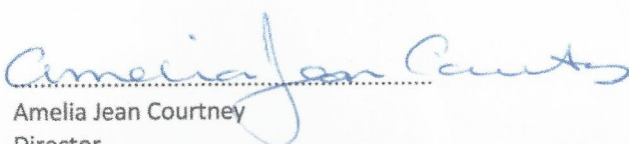
Significant changes in the state of affairs

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.

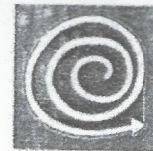
Auditor's independence declaration

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 the Directors Meeting on 29th June 2017.


Amelia Jean Courtney
Director

Dated: 29th June 2017



**Richmond
Sinnott &
Delahunty**

Chartered Accountants

Level 2, 10-16 Forest Street
Bendigo, VICTORIA
PO Box 30, Bendigo VICTORIA 3552

Ph: (03) 5445 4200
Fax: (03) 5444 4344
rsd@rsd advisors.com.au
www.rsdadvisors.com.au

29 June 2017

Dear Directors,

To the Directors of Tongala & District Financial Services Limited

Auditor's Independence Declaration under section 307C of the Corporations Act 2001

I declare that to the best of my knowledge and belief, during the half-year ended 31 December 2016 there has been:

- (i) No contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) No contraventions of any applicable code of professional conduct in relation to the audit.

Kathie Teasdale
Partner
Richmond Sinnott & Delahunty

Tongala & District Financial Services Limited
ABN 22 094 331 665

Statement of Profit or Loss and Other Comprehensive Income
for the half-year ended 31 December 2016

	31 Dec 2016	31 Dec 2015
	\$	\$
Revenue	316,860	368,952
Expenses		
Employee benefits expense	(151,492)	(139,452)
Depreciation and amortisation	(9,971)	(6,404)
Audit and accounting fees	(10,791)	(8,388)
Finance costs	(2,299)	(1,300)
Occupancy expenses	(4,178)	(8,165)
IT costs	(9,390)	(10,121)
Motor vehicle expenses	(2,982)	(1,759)
ATM expenses	(2,071)	(11,684)
Agent commissions paid	(23,549)	(88,372)
Other expenses	(36,332)	(44,598)
	<u>(253,055)</u>	<u>(320,243)</u>
Profit / (loss) before charitable donations & sponsorships	<u>63,805</u>	<u>48,709</u>
Charitable donations and sponsorship	(10,270)	(3,715)
Profit / (loss) before income tax	<u>53,535</u>	<u>44,994</u>
Income tax expense / (benefit)	(10,333)	(14,108)
Profit / (loss) for the period	<u>43,202</u>	<u>30,886</u>
Other comprehensive income	-	-
Total comprehensive income for the period	<u><u>43,202</u></u>	<u><u>30,886</u></u>
Profit / (loss) attributable to members of the company	43,202	30,886
Total comprehensive income attributable to members of the company	<u><u>43,202</u></u>	<u><u>30,886</u></u>
Earnings per share (cents per share)		
- basic earnings per share	5 12.66	9.05

The accompanying notes form part of these financial statements

Tongala & District Financial Services Limited

ABN 22 094 331 665

Statement of Financial Position

as at 31 December 2016

	31 Dec 2016	30 Jun 2016
	\$	\$
ASSETS		
Current Assets		
Cash and cash equivalents	198,904	157,200
Trade and other receivables	33,633	26,475
Total Current Assets	<u>232,537</u>	<u>183,675</u>
Non-Current Assets		
Property, plant and equipment	134,435	137,907
Intangible assets	46,470	52,120
Deferred tax assets	4,601	-
Total Non-Current Assets	<u>185,506</u>	<u>190,027</u>
Total Assets	<u><u>418,043</u></u>	<u><u>373,702</u></u>
LIABILITIES		
Current Liabilities		
Trade and other payables	6,648	13,271
Borrowings	11,667	14,409
Provisions	16,145	4,208
Current tax payable	27,375	15,710
Total Current Liabilities	<u>61,835</u>	<u>47,598</u>
Non-Current Liabilities		
Borrowings	40,381	44,753
Provisions	-	8,726
Total Non-Current Liabilities	<u>40,381</u>	<u>53,479</u>
Total Liabilities	<u><u>102,216</u></u>	<u><u>101,077</u></u>
Net Assets	<u><u>315,827</u></u>	<u><u>272,625</u></u>
Equity		
Issued capital	341,350	341,350
Accumulated losses	(25,523)	(68,725)
Total Equity	<u><u>315,827</u></u>	<u><u>272,625</u></u>

The accompanying notes form part of these financial statements

Tongala & District Financial Services Limited
ABN 22 094 331 665
Statement of Changes in Equity
for the half-year ended 31 December 2016

	Note	Issued Capital \$	Accumulated losses \$	Total Equity \$
Balance at 1 July 2015		341,350	(114,695)	226,655
Total comprehensive income for the period		-	30,886	30,886
<i>Transactions with owners in their capacity as owners:</i>				
Dividends recognised for the period	4	-	(17,068)	(17,068)
Balance at 31 December 2015		<u>341,350</u>	<u>(100,877)</u>	<u>240,473</u>
Balance at 1 July 2016		341,350	(68,725)	272,625
Total comprehensive income for the period		-	43,202	43,202
<i>Transactions with owners in their capacity as owners:</i>				
Dividends recognised for the period	4	-	-	-
Balance at 31 December 2016		<u>341,350</u>	<u>(25,523)</u>	<u>315,827</u>

The accompanying notes form part of these financial statements

Tongala & District Financial Services Limited
ABN 22 094 331 665
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	335,534	383,166
Payments to suppliers and employees	(284,826)	(352,964)
Interest received	4,528	2,707
Interest paid	(2,299)	(1,300)
Income tax paid	(3,269)	(13,072)
Net cash flows from operating activities	<u>49,668</u>	<u>18,537</u>
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(850)	(129,514)
Net cash flows used in investing activities	<u>(850)</u>	<u>(129,514)</u>
Cash Flows From Financing Activities		
Proceeds from borrowings	-	65,000
Repayment of borrowings	(7,114)	(4,588)
Dividends paid	-	(17,068)
Net cash flows from / (used in) financing activities	<u>(7,114)</u>	<u>43,344</u>
Net increase / (decrease) in cash held	<u>41,704</u>	<u>(67,633)</u>
Cash and cash equivalents at beginning of period	157,200	214,480
Cash and cash equivalents at end of period	<u><u>198,904</u></u>	<u><u>146,847</u></u>

The accompanying notes form part of these financial statements

Tongala & District Financial Services Limited
ABN 22 094 331 665
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 Tongala & 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. Dividends

Dividends paid during the half year:

2016	2015
\$	\$
-	17,068

No dividend has been paid or provided for for the year ended 30 June 2016 (2015 Final fully franked dividend: 5 cents).

5. Earnings per share

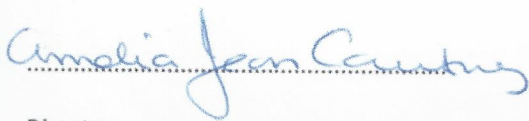
Basic earnings per share (cents)	12.66	9.05
Earnings used in calculating basic and diluted earnings per share	43,202	30,886
Weighted average number of ordinary shares used in calculating basic earnings per share.	341,350	341,350

Tongala and District Financial Services Limited
ABN 22 094 334 665
Directors Declaration
for the half -year ended 31st December 2016

In the opinion of the directors of Tongala & 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.

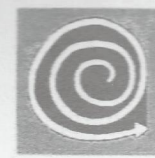
This declaration is made in accordance with a resolution of the Board of Directors.



Director

Amelia Jean Courtney

Signed at Directors meeting on 29 June 2017



**Richmond
Sinnott &
Delahunt**

Chartered Accountants

Level 2, 10-16 Forest Street
Bendigo, VICTORIA
PO Box 30, Bendigo VICTORIA 3552

Ph: (03) 5445 4200
Fax: (03) 5444 4344
rsd@rsdadvisors.com.au
www.rsdadvisors.com.au

INDEPENDENT AUDITOR'S REVIEW REPORT

To the directors of Tongala & District Financial Services Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Tongala & 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 Tongala & 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 Tongala & 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 Tongala & 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: 29 June 2017