

FORM: Half yearly/preliminary final report

Name of issuer

Inverloch & District

ACN or ARBN

13 117 672 590

Half yearly
(tick)

✓

Preliminary
final (tick)

Half year/financial year ended
(‘Current period’)

31 December 2018

For announcement to the market

Extracts from this statement for announcement to the market (see note 1).

				\$
Revenue (item 1.1)	down	(13 %)	to	296
Profit (loss) for the period (item 1.9)	down	(105%)	to	-2
Profit (loss) for the period attributable to members of the parent (item 1.11)	down	(105%)	to	-2
Dividends		Current period		Previous corresponding period
Franking rate applicable:		100 %		100%
Final dividend (preliminary final report only)(item 10.13-10.14)				
Amount per security		6.5¢		6.5¢
Franked amount per security		100%		100%
Interim dividend (Half yearly report only) (item 10.11 – 10.12)				
Amount per security		-		-
Franked amount per security		-		-
Short details of any bonus or cash issue or other item(s) of importance not previously released to the market:				
n/a				

Consolidated income statement *(The figures are not equity accounted)**(see note 3)**(as per paragraphs 81-85 and 88-94 of AASB 101: Presentation of Financial Statements)*

	Current period - \$	Previous corresponding period - \$
1.1 Revenues <i>(item 7.1)</i>	296,001	338,959
1.2 Expenses, excluding finance costs <i>(item 7.2)</i>	(296,683)	(281,168)
1.3 Finance costs	(1,438)	-
1.4 Share of net profits (losses) of associates and joint ventures <i>(item 15.7)</i>	-	-
1.5 Profit (loss) before income tax	(2,120)	57,791
1.6 Income tax expense <i>(see note 4)</i>	(32)	(16,294)
1.7 Profit (loss) from continuing operations	-	-
1.8 Profit (loss) from discontinued operations <i>(item 13.3)</i>	-	-
1.9 Profit (loss) for the period	(2,088)	41,497
1.10 Profit (loss) attributable to minority interests	-	-
1.11 Profit (loss) attributable to members of the parent	(2,088)	41,497
1.12 Basic earnings per <i>security</i> <i>(item 9.1)</i>	(0.28¢)	5.53¢
1.13 Diluted earnings per <i>security</i> <i>(item 9.1)</i>	(0.28¢)	5.53¢
1.14 Dividends per <i>security</i> <i>(item 9.1)</i>	6.5¢	6.5¢

Comparison of half-year profits*(Preliminary final statement only)*

	Current period - \$	Previous corresponding period - \$
2.1 Consolidated profit (loss) after tax attributable to members reported for the 1st half year <i>(item 1.11 in the half yearly statement)</i>	(2,088)	41,497
2.2 Consolidated profit (loss) after tax attributable to members for the 2nd half year	-	-

Consolidated balance sheet

(See note 5)

(as per paragraphs 68-69 of AASB 101: Financial Statement Presentation)

Current assets		Current period - \$	Previous corresponding period - \$
3.1	Cash and cash equivalents	638,703	709,955
3.2	Trade and other receivables	16,689	19,709
3.3	Inventories	-	-
3.4	Current tax asset	6,148	-
3.5	Total current assets	661,540	729,664
Non-current assets			
3.6	Available for sale investments	-	-
3.7	Other financial assets	-	-
3.8	Investments in associates	-	-
3.9	Deferred tax assets	-	-
3.10	Exploration and evaluation expenditure capitalised (see para. 71 of AASB 1022 – new standard not yet finalised)	-	-
3.11	Development properties (mining entities)	-	-
3.12	Property, plant and equipment (net)	54,237	55,436
3.13	Investment properties	-	-
3.14	Goodwill	35,500	35,500
3.15	Other intangible assets	16,685	23,478
3.16	Right of use asset	50,793	-
3.17	Total non-current assets	157,215	114,414
3.18	Total assets	818,755	844,078
Current liabilities			
3.19	Trade and other payables	7,470	16,919
3.20	Short term borrowings	-	-
3.21	Current tax payable	-	16,438
3.22	Short term provisions	-	-
3.23	Current portion of long term borrowings (lease liabilities)	43,666	-
3.24	Deferred tax liabilities	-	-
		51,136	33,357
3.25	Liabilities directly associated with non-current assets classified as held for sale (para 38 of AASB 5)	-	-
3.26	Total current liabilities	51,136	33,357

Non-current liabilities			
		Current period - \$	Previous corresponding period - \$
3.27	Long-term borrowings	-	-
3.28	Deferred tax liabilities	7,413	7,445
3.29	Long term provisions	-	-
3.30	Lease Liabilities	7,769	-
3.31	Total non-current liabilities	15,182	7,445
3.32	Total liabilities	66,318	40,802
3.33	Net assets	752,437	803,276
Equity			
3.34	Share capital	729,547	729,547
3.35	Other reserves	-	-
3.36	Retained earnings/(Accumulated losses)	22,890	73,729
	Amounts recognised directly in equity relating to non-current assets classified as held for sale	-	-
3.37	Parent interest	-	-
3.38	Minority interest	-	-
3.39	Total equity	752,437	803,276

Consolidated statement of changes in equity

(as per paragraphs 96-97 of AASB 101: Presentation of Financial Statements)

	Current period – \$	Previous corresponding period – \$
Revenues recognised directly in equity:	-	-
Expenses recognised directly in equity:	-	-
4.1 Net income recognised directly in equity	-	-
4.2 Profit (Loss) for the period	(2,088)	41,497
4.3 Total recognised income and expense for the period	(2,088)	41,497
Attributable to:		
4.4 Members of the parent	(2,088)	41,497
4.5 Minority interest	-	-
Effect of changes in accounting policy (as per AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors):		
4.6 Members of the parent entity	-	-
4.7 Minority interest	-	-

Consolidated statement of cash flows

(See note 6)

(as per AASB 107: Cash Flow Statements)

		Current period -\$	Previous corresponding period - \$
	Cash flows related to operating activities		
5.1	Receipts from customers	327,107	379,970
5.2	Payments to suppliers and employees	(328,547)	(328,818)
5.3	Interest and other costs of finance paid	(1,438)	(1)
5.4	Income taxes paid	(383)	(14,350)
5.5	Other (interest received)	2,710	3,782
5.6	Net cash provided by operating activities	215	40,583
	Cash flows related to investing activities		
5.7	Payments for purchases of property, plant and equipment	(1,590)	-
5.8	Proceeds from sale of property, plant and equipment	-	-
5.9	Payment for purchases of equity investments	-	-
5.10	Proceeds from sale of equity investments	-	-
5.11	Loans to other entities	-	-
5.12	Loans repaid by other entities	-	-
5.13	Interest and other items of similar nature received	-	-
5.14	Dividends received	-	-
5.15	Other (provide details if material)	-	-
5.16	Net cash used in investing activities	(1,590)	-
	Cash flows related to financing activities		
5.17	Proceeds from issues of securities (shares, options, etc.)	-	-
5.18	Proceeds from borrowings	-	-
5.19	Repayment of borrowings	-	-
5.20	Dividends paid	(48,751)	(48,751)
5.21	Lease repayments	(21,126)	-
5.22	Net cash used in financing activities	(69,877)	(48,751)
	Net increase (decrease) in cash and cash equivalents	(71,252)	(8,168)
5.23	Cash at beginning of period (see Reconciliations of cash)	709,955	634,339
5.24	Exchange rate adjustments to item 5.23	-	-
5.25	Cash at end of period (see Reconciliation of cash)	638,703	626,171

Reconciliation of cash provided by operating activities to profit or loss

(as per paragraph Aus20.1 of AASB 107: Cash Flow Statements)

		Current period \$	Previous corresponding period \$
6.1	Profit <i>(item 1.9)</i>	(2,088)	41,497
	Adjustments for:		
6.2	Depreciation	24,557	3,064
6.3	Amortisation	6,793	6,793
6.4	Loss on disposal of non-current asset	-	-
6.5	(Increase)/decrease in receivables	3,020	(8,960)
6.6	(Increase)/decrease in other assets	(6,148)	-
6.7	Increase/(decrease) in payables	(9,449)	(3,755)
6.8	Increase/(decrease) in provisions	-	-
6.9	Increase/(decrease) in tax liabilities	(16,470)	(1,944)
6.10	Net cash from operating activities <i>(item 5.6)</i>	215	40,583

Notes to the financial statements

Details of revenues and expenses

(see note 16)

(Where items of income and expense are material, disclose nature and amount below in accordance with paragraphs 86-87 of AASB 101: Presentation of Financial Statements)

		Current period - \$	Previous corresponding period - \$
	Revenue		
	Services commissions	289,111	331,270
	Interest	6,890	7,689
	Other revenue	-	-
7.1	Total Revenue	296,001	338,959
	Expenses		
	Employee benefits expense	(158,859)	(163,732)
	Charitable donations, sponsorship, advertising and promotion	(30,931)	(6,217)
	Occupancy and associated costs	(13,688)	(33,346)
	Systems costs	(9,179)	(9,891)
	Depreciation and amortisation expense	(31,350)	(9,857)
	Finance costs	(1,438)	(1)
	General administration expenses	(52,676)	(58,124)
7.2	Total Expenses	(298,121)	(281,168)
	Profit (loss) before tax	(2,088)	41,497

	Ratios	Current period	Previous corresponding period
	Profit before tax / revenue		
8.1	Consolidated profit (loss) before tax (item 1.5) as a percentage of revenue (item 1.1)	(0.72%)	17%
	Profit after tax / equity interests		
8.2	Consolidated profit (loss) after tax attributable to members (item 1.11) as a percentage of equity (similarly attributable) at the end of the period (item 3.37)	(0.28%)	5%

Earnings per Security

- 9.1 Provide details of basic and fully diluted EPS in accordance with paragraph 70 and Aus 70.1 of AASB 133: Earnings per Share below:

	Current period	Previous corresponding period
Profit/(loss) attributable to the ordinary equity holders of the company used in calculating earnings per share	(2,088)	41,497
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	750,010	750,010
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share (if different from basic)	-	-

Dividends

- 10.1 Date the dividend is payable

- 10.2 Record date to determine entitlements to the dividend (i.e. on the basis of registrable transfers received up to 5.00 pm if paper based, or by 'End of Day' if a proper ASTC/CHESS transfer)

- 10.3 If it is a final dividend, has it been declared?

(Preliminary final report only)

- 10.4 The *dividend or distribution plans* shown below are in operation.

The last date(s) for receipt of election notices to the *dividend or distribution plans*

- 10.5 Any other disclosures in relation to *dividends or distributions*

Dividends paid or provided for on all securities*(as per paragraph Aus126.4 AASB 101: Presentation of Financial Statements)*

	Current period - \$A'000	Previous corresponding period - \$A'000	Franking rate applicable
Dividends paid or provided for during the reporting period			
10.6 Current year interim	-	-	-
10.7 Franked dividends	-	-	-
10.8 Previous year final	-	-	-
10.9 Franked dividends	48,751	48,751	100
Dividends proposed and not recognised as a liability			
10.10 Franked dividends	-	-	-

Dividends per security*(as per paragraph Aus126.4 of AASB 101: Presentation of Financial Statements)*

	Current year	Previous year	Franking rate applicable
Dividends paid or provided for during the reporting period			
10.11 Current year interim	-	-	-
10.12 Franked dividends – cents per share	-	-	-
10.13 Previous year final	-	-	-
10.14 Franked dividends – cents per share	6.5	6.5	100
Dividends proposed and not recognised as a liability			
10.15 Franked dividends – cents per share	-	-	-

Exploration and evaluation expenditure capitalised

To be completed only by issuers with mining interests if amounts are material. Include all expenditure incurred regardless of whether written off directly against profit

	Current period \$	Previous corresponding period \$
11.1 Opening balance	-	-
11.2 Expenditure incurred during current period	-	-
11.3 Expenditure written off during current period	-	-
11.4 Acquisitions, disposals, revaluation increments, etc.	-	-
11.5 Expenditure transferred to Development Properties	-	-
11.6 Closing balance as shown in the consolidated balance sheet (item 3.10)	-	-

Development properties

(To be completed only by issuers with mining interests if amounts are material)

	Current period \$	Previous corresponding period \$
12.1 Opening balance	-	-
12.2 Expenditure incurred during current period	-	-
12.3 Expenditure transferred from exploration and evaluation	-	-
12.4 Expenditure written off during current period	-	-
12.5 Acquisitions, disposals, revaluation increments, etc.	-	-
12.6 Expenditure transferred to mine properties	-	-
12.7 Closing balance as shown in the consolidated balance sheet (item 3.11)	-	-

Discontinued Operations

(see note 18)

(as per paragraph 33 of AASB 5: Non-current Assets Held for Sale and Discontinued Operations)

	Current period – \$	Previous corresponding period – \$
13.1 Revenue	-	-
13.2 Expense	-	-
13.3 Profit (loss) from discontinued operations before income tax	-	-
13.4 Income tax expense <i>(as per para 81 (h) of AASB 112)</i>	-	-
13.5 Gain (loss) on sale/disposal of discontinued operations	-	-
13.6 Income tax expense <i>(as per paragraph 81(h) of</i>	-	-

Movements in Equity

(as per paragraph 97 of AASB 101: Financial Statement Presentation)

		Number issued	Number listed	Paid-up value (cents)	Current period – \$	Previous corresponding period – \$
14.1 Preference securities						
	<i>(description)</i>					
14.2	Balance at start of period	-	-	-	-	-
14.3	a) Increases through issues	-	-	-	-	-
14.4	a) Decreases through returns of capital, buybacks etc.	-	-	-	-	-
14.5	Balance at end of period	-	-	-	-	-
14.6 Ordinary securities						
	<i>(ordinary shares fully paid)</i>					
14.7	Balance at start of period	750,010	750,010	100	750,010	750,010
14.8	a) Increases through issues	-	-	-	-	-
14.9	b) Decreases through returns of capital, buybacks etc.	-	-	-	-	-
14.10	Balance at end of period	750,010	750,010	100	750,010	750,010
14.11 Convertible Debt Securities						
	<i>(description & conversion factor)</i>					
14.12	Balance at start of period	-	-	-	-	-
14.13	a) Increases through issues	-	-	-	-	-
14.14	b) Decreases through maturity, converted.	-	-	-	-	-
14.15	Balance at end of period	-	-	-	-	-

		Number issued	Number listed	Paid-up value (cents)	Current period – \$	Previous corresponding period – \$
14.16	Options <i>(description & conversion factor)</i>					
14.17	Balance at start of period	-	-	-	-	-
14.18	Issued during period	-	-	-	-	-
14.19	Exercised during period	-	-	-	-	-
14.20	Expired during period	-	-	-	-	-
14.21	Balance at end of period	-	-	-	-	-
14.22	Debentures <i>(description)</i>					
14.23	Balance at start of period	-	-	-	-	-
14.24	a) Increases through issues	-	-	-	-	-
14.25	b) Decreases through maturity, converted	-	-	-	-	-
14.26	Balance at end of period	-	-	-	-	-
14.27	Unsecured Notes <i>(description)</i>					
14.28	Balance at start of period	-	-	-	-	-
14.29	a) Increases through issues	-	-	-	-	-
14.30	b) Decreases through maturity, converted	-	-	-	-	-
14.31	Balance at end of period	-	-	-	-	-
14.32	Total Securities	750,010	750,010	100	750,010	750,010

		Current period – \$	Previous corresponding period – \$
Reserves			
14.33	Balance at start of period	-	-
14.34	Transfers to/from reserves	-	-
14.35	Total for the period	-	-
14.36	Balance at end of period	-	-
14.37	Total reserves	-	-
Retained earnings			
14.38	Balance at start of period	73,729	38,810
14.39	Changes in accounting policy	-	-
14.40	Restated balance	-	-
14.41	Profit for the balance	(2,088)	41,497
14.42	Total for the period	-	-
14.43	Dividends	(48,751)	(48,751)
14.44	Balance at end of period	22,890	(31,556)

Details of aggregate share of profits (losses) of associates and joint venture entities

(equity method)

(as per paragraph Aus 37.1 of AASB 128: Investments in Associates and paragraph Aus 57.3 of AASB 131: Interests in Joint Ventures)

Name of associate or joint venture entity

Reporting entities percentage holding

		Current period - \$	Previous corresponding period - \$
15.1	Profit (loss) before income tax	-	-
15.2	Income tax	-	-
15.3	Profit (loss) after tax	-	-
15.4	Impairment losses	-	-
15.5	Reversals of impairment losses	-	-
15.6	Share of non-capital expenditure contracted for (excluding the supply of inventories)	-	-
15.7	Share of net profit (loss) of associates and joint venture entities	-	-

Control gained over entities having material effect

(See note 8)

16.1 Name of *issuer* (or *group*)

		\$
16.2	Consolidated profit (loss) after tax of the <i>issuer</i> (or <i>group</i>) since the date in the current period on which control was acquired	-
16.3	Date from which profit (loss) in <i>item 16.2</i> has been calculated	-
16.4	Profit (loss) after tax of the <i>issuer</i> (or <i>group</i>) for the whole of the previous corresponding period	-

Loss of control of entities having material effect*(See note 8)*17.1 Name of *issuer* (or *group*)17.2 Consolidated profit (loss) after tax of the entity (or *group*) for the current period to the date of loss of control

\$

-

17.3 Date from which the profit (loss) in *item 17.2* has been calculated

-

17.4 Consolidated profit (loss) after tax of the entity (or *group*) while controlled during the whole of the previous corresponding period

-

17.5 Contribution to consolidated profit (loss) from sale of interest leading to loss of control

-

Material interests in entities which are not controlled entities*The economic entity has an interest (that is material to it) in the following entities.*

		Percentage of ownership interest (ordinary securities, units etc) held at end of period or date of disposal		Contribution to profit (loss) (<i>item 1.9</i>)	
18.1	Equity accounted associated entities	Current period	Previous corresponding period	Current period \$	Previous corresponding period \$
				<i>Equity accounted</i>	
		-	-	-	-
		-	-	-	-
18.2	Total	-	-	-	-
18.3	Other material interests			Non equity accounted (i.e. part of <i>item 1.9</i>)	
		-	-	-	-
		-	-	-	-
18.4	Total	-	-	-	-

Reports for industry and geographical segments

Information on the industry and geographical segments of the entity must be reported for the current period in accordance with AASB 114: Segment Reporting. Because of the different structures employed by entities, a pro forma is not provided. Segment information should be completed separately and attached to this statement. However, the following is the personation adopted in the Appendices to AASB 114 and indicates which amount should agree with items included elsewhere in this statement.

	Current period - \$	Previous corresponding period - \$
Segments		
Revenue:		
19.1 External sales	-	-
19.2 Inter-segment sales	-	-
19.3 Total (consolidated total equal to <i>item 1.1</i>)	-	-
19.4 Segment result	-	-
19.5 Unallocated expenses	-	-
19.6 Operating profit (equal to <i>item 1.5</i>)	-	-
19.7 Interest expense	-	-
19.8 Interest income	-	-
19.9 Share of profits of associates	-	-
19.10 Income tax expense	-	-
19.11 Net profit (consolidated total equal to <i>item 1.9</i>)	-	-
Other information	-	-
19.12 Segment assets	-	-
19.13 Investments in equity method associates	-	-
19.14 Unallocated assets	-	-
19.15 Total assets (equal to <i>item 3.18</i>)	-	-
19.16 Segment liabilities	-	-
19.17 Unallocated liabilities	-	-
19.18 Total liabilities (equal to <i>item 3.32</i>)	-	-
19.19 Capital expenditure	-	-
19.20 Depreciation	-	-
19.21 Other non-cash expenses	-	-

NTA Backing

(see note 7)

20.1	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	92¢	91¢

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.

21.1	n/a
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International Financial Reporting Standards

Under paragraph 39 of AASB 1: First –time Adoption of Australian Equivalents to International Financial Reporting Standards, an entity's first Australian-equivalents-to-IFRS's financial report shall include reconciliations of its equity and profit or loss under previous GAAP to its equity and profit or loss under Australian equivalents to IFRS's. See IG63 in the appendix to AASB 1 for guidance.

22.1	n/a
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Under paragraph 4.2 of AASB 1047: Disclosing the Impacts of Adopting Australian Equivalents to International Financial Reporting Standards, an entity must disclose any known or reliably estimable information about the impacts on the financial report had it been prepared using the Australian equivalents to IFRSs or if the aforementioned impacts are not known or reliably estimable, a statement to that effect.

22.2	n/a
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Comments by directors

Comments on the following matters are required by the Exchange or, in relation to the half yearly statement, by AASB 134: Interim Financial Reporting. The comments do not take the place of the directors' report and statement (as required by the Corporations Act) but may be incorporated into the directors' report and statement. For both half yearly and preliminary final statements, if there are no comments in a section, state NIL. If there is insufficient space in comment, attach notes to this statement.

Basis of accounts preparation

If this statement is a half yearly statement, it is a general purpose financial report prepared in accordance with the listing rules and AASB 134: Interim Financial Reporting. It should be read in conjunction with the last annual report and any announcements to the market made by the issuer during the period. This report does not include all notes of the type normally included in an annual financial report.

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). In a half yearly report, provide explanatory comments about any seasonal or irregular factors affecting operations (as per paragraphs 16(b), 16(b) and Aus 16.1 of AASB 134: Interim Financial Reporting)

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.

Any other factors which have affected the results in the period, or which are likely to affect results in the future, including those where the effect could not be quantified.

n/a

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

Franking credits currently available are: \$24,268

The amount of dividends to be paid is assessed by the board at the conclusion of each financial year.

Changes in accounting policies, estimation methods and measurement bases since the last annual report are disclosed as follows.

(Disclose changes in the half yearly statement in accordance with paragraph 16(a) of AASB 134: Interim Financial Reporting. Disclose changes in the preliminary final statement in accordance with paragraphs 28-29 of 108: Accounting Policies, Changes in Accounting Estimates and Errors.)

n/a

An *issuer* shall explain how the transition from previous GAAP to Australian equivalents to IFRS' affected its reported financial position, financial performance and cash flows. *(as per paragraph 38 of AASB 1: First-time Adoption of Australian Equivalents to International Financial Reporting Standards)*

n/a

Revisions in estimates of amounts reported in previous periods. For half yearly reports the nature and amount of revisions in estimates of amounts reported in previous annual reports if those revisions have a material effect in this half year *(as per paragraph 16(d) of AASB 134: Interim Financial Reporting)*

n/a

Changes in contingent liabilities or assets. For half yearly reports, changes in contingent liabilities and contingent assts since the last annual report *(as per paragraph 16(j) of AASB 134: Interim Financial Reporting)*

n/a

The nature and amount of items affecting assets, liabilities, equity, profit or loss, or cash flows that are unusual because of their nature, size or incidence *(as per paragraph 16(c) of AASB 134: Interim Financial Reporting)*

n/a

Effect of changes in the composition of the entity during the interim period, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinued operations *(as per paragraph 16(i) of AASB 134: Interim Financial Reporting)*

n/a

Annual meeting*(Preliminary final statement only)*

The annual meeting will be held as follows:

Place

Date

Time

Approximate date the annual report will be available

Compliance statement

1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the *Corporations Act* or other standards acceptable to the Exchange (see note 13).

Identify other standards used

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2. This statement, and the financial statements under the *Corporations Act* (if separate), use the same accounting policies.
3. This statement does give a true and fair view of the matters disclosed (see note 2).
4. This statement is based on financial statements to which one of the following applies:
- | | |
|---|--|
| <input type="checkbox"/> The financial statements have been audited. | <input checked="" type="checkbox"/> The financial statements have been subject to review by a registered auditor (or overseas equivalent). |
| <input type="checkbox"/> The financial statements are in the process of being audited or subject to review. | <input type="checkbox"/> The financial statements have <i>not</i> yet been audited or reviewed. |
5. If the accounts have been or are being audited or subject to review details of any qualifications are attached.
6. The *issuer* has a formally constituted audit committee.

Sign here:
(Director/Company secretary)

Date:

2/3/2020

Print name: Philip Clark

Notes

1. **For announcement to the market** The percentage changes referred to in this section are the percentage changes calculated by comparing the current period's figures with those for the previous corresponding period. Do not show percentage changes if the change is from profit to loss or loss to profit, but still show the amount of the change up or down. If changes in accounting policies or procedures have had a material effect on reported figures, do not show either directional or percentage changes in profits. Explain the reason for the omissions in the note at the end of the announcement section. *Issuers* are encouraged to attach notes or fuller explanations of any significant changes to any of the items in page 1. The area at the end of the announcement section can be used to provide a cross reference to any such attachment.
2. **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 *issuer* must attach a note providing additional information and explanations to give a true and fair view.
3. **Consolidated statement of financial performance**
 - Item 1.1 The definition of "revenue" is set out in *AASB 118: Revenue*
 - Item 1.6 This item refers to the total tax attributable to the amount shown in *item 1.5*. Tax includes income tax and capital gains tax (if any) but excludes taxes treated as expenses from ordinary activities (eg. fringe benefits tax).
4. **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 issuer must explain in a note the major items responsible for the difference and their amounts. The rate of tax applicable to the franking amount per dividend should be inserted in the heading for the column "Franking rate applicable" for items in *section 9*.
5. **Consolidated statement of financial position**

Format The format of the consolidated statement of financial position should be followed as closely as possible. However, additional items may be added if greater clarity of exposition will be achieved, provided the disclosure still meets the requirements of *AASB 134: Interim Financial Reporting*, and *AASB 101: Presentation of Financial Statements*. Banking institutions, trusts and financial institutions may substitute a clear liquidity ranking for the Current/Non-Current classification.

Basis of revaluation If there has been a material revaluation of non-current assets (including investments) since the last annual report, the *issuer* must describe the basis of revaluation adopted. The description must meet the requirements of *AASB 116: Property, Plant and Equipment*. If the *issuer* has adopted a procedure of regular revaluation, the basis for which has been disclosed and has not changed, no additional disclosure is required.
6. **Consolidated statement of cash flows** For definitions of "cash" and other terms used in this statement see *AASB 107: Cash Flow Statements*. *Issuers* should follow the form as closely as possible, but variations are permitted if the *directors* (in the case of a trust, the management company) believe that this presentation is inappropriate. However, the presentation adopted must meet the requirements of *AASB 107*.
7. **Net tangible asset backing** Net tangible assets are determined by deducting from total tangible assets all claims on those assets ranking ahead of the ordinary *securities* (i.e. all liabilities, preference shares, outside equity interests, etc). Mining *issuers* are *not* required to state a net tangible asset backing per ordinary *security*.
8. **Gain and loss of control over entities** The gain or loss must be disclosed if it has a material effect on the consolidated financial statements. Details must include the contribution

for each gain or loss that increased or decreased the *issuer's* consolidated operating profit (loss) after tax by more than 5% compared to the previous corresponding period.

9. **Equity accounting** If an *issuer* adopts equity accounting, no comparative equity accounting figures are required in the first period following its adoption.
10. **Rounding of figures** This statement anticipates that the information required is given to the nearest \$1,000. However, an *issuer* may report exact figures, if the \$A'000 headings are amended. If an *issuer* qualifies under ASIC Class Order 98/0100 dated 15 July 2004, it may report to the nearest million dollars, or to the nearest \$100,000, if the \$A'000 headings are amended.
11. **Comparative figures** Comparative figures are to be presented in accordance with AASB 101: *Presentation of Financial Statements* or AASB 134: *Interim Financial Reporting* as appropriate and are the unadjusted figures from the last annual or half year report as appropriate. However, if the previously reported figures are adjusted to achieve greater comparability, in accordance with an accounting standard or other reason, a note explaining the adjustment must be included with this statement. If no adjustment is made despite a lack of comparability, a note explaining the position should be attached.
12. **Additional information** An *issuer* 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. The requirement under the listing rules for an *issuer* to complete this statement does not prevent the *issuer* issuing statements more frequently. Additional material lodged with the ASIC under the *Corporations Act* must also be given to the *Exchange*. For example, a *directors'* report and declaration, if lodged with the ASIC, must be given to the *Exchange*.
13. **Accounting Standards** the *Exchange* will accept, for example, the use of International Accounting Standards for *foreign issuers*. If the standards used do not address a topic, the Australian standard on that topic (if one exists) must be complied with.
14. **Borrowing corporations** This statement may be able to be used by an *issuer* required to comply with the *Corporations Act* as part of its half yearly financial statements if prepared in accordance with Australian Accounting Standards.
15. **Details of expenses** AASB 101: *Presentation of Financial Statements* requires disclosure of expenses according to either their nature or function. For foreign entities, there are similar requirements in other accounting standards accepted by the *Exchange*. *Issuers* must disclose details of expenses using the layout (by nature or function) employed in their accounts.

The information in *items 7.1 - 7.2* may be provided in an attachment to Appendix 3

Relevant items AASB 101: *Presentation of Financial Statements* requires the separate disclosure of specific revenues and expenses which are of a size, nature or incidence that disclosure is *relevant*, as defined in AASB 101, in explaining the financial performance of the *issuer*. There is an equivalent requirement in AASB 134: *Interim Financial Reporting*. For foreign entities, there are similar requirements in other accounting standards accepted by the *Exchange*.

16. **Dollars** If reporting is not in A\$, all references to \$A must be changed to the reporting currency. If reporting is not in thousands of dollars, all references to "000" must be changed to the reporting value.
17. **Discontinuing operations**

Entities must either provide a description of any significant activities or events relating to discontinuing operations equivalent to that required by *paragraph 7.5 (g) of AASB 134: Interim*

Financial Reporting, or, the details of discontinuing operations they are required to disclose in their accounts in accordance with *AASB 5: Non-current Assets for Sale and Discontinued Operations*

In any case, the information may be provided as an attachment to this Appendix 3.

Inverloch & District Financial Enterprises Limited

ABN: 13 117 672 590

Financial Statements

For the half-year ended 31 December 2019

Inverloch & District Financial Enterprises Limited

Directors' Report

Your directors submit the financial report of the company for the half-year ended 31 December 2019.

Directors

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

Philip David Clark	Alisha Dee Gilliland
Domenic Anthony Brusamarello	Kerralie Joy Shaw
Tristan Andrew Creed	Mark Gerard McCormack
Susan Joy Ruffin	Graham Fitton

Principal activities

The principal activities of the company during the financial period 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/(loss) of the company for the financial period after the provision of income tax was:

Half-year ended 31 December 2019	Half-year ended 31 December 2018
\$ (2,088)	\$ 41,497

New Accounting Standards implemented

The company has implemented a new Accounting Standard which has come into effect and is included in the results. AASB 16: *Leases* (AASB 16) has been applied retrospectively without restatement of comparatives. Furthermore, at this date, the company has elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition as allowed under the transition provisions. As a result, there was no impact on retained earnings.. The comparative information has not been restated and continues to be reported under AASB 117: *Leases*.

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.

Chairman



Philip David Clark

Dated this 5th day of March 2020

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 2019 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: 5th March 2020



Joshua Griffin
Lead Auditor

Inverloch & District Financial Enterprises Limited

Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2019

	2019 \$	2018 \$
Revenue from ordinary activities	296,001	338,959
Employee benefits expense	(158,859)	(163,732)
Charitable donations, sponsorship, advertising and promotion	(30,931)	(6,217)
Occupancy and associated costs	(13,688)	(33,346)
Systems costs	(9,179)	(9,891)
Depreciation and amortisation expense	(31,350)	(9,857)
Finance costs	(1,438)	(1)
General administration expenses	(52,676)	(58,124)
Profit/(loss) before income tax	(2,120)	57,791
Income tax (expense)/credit	32	(16,294)
Profit/(loss) after income tax	(2,088)	41,497
Total comprehensive income for the half-year attributable to the ordinary shareholders of the company:	(2,088)	41,497
Earnings per share	¢	¢
- Basic and diluted earnings/(loss) per share:	(0.28)	5.53

Inverloch & District Financial Enterprises Limited

Statement of Financial Position

For the half-year ended 31 December 2019

	Note	31-Dec-19 \$	30-Jun-19 \$
ASSETS			
Current assets			
Cash and cash equivalents		638,703	709,955
Trade and other receivables		16,689	19,709
Current tax asset		6,148	-
Total current assets		661,540	729,664
Non-current assets			
Property, plant and equipment		54,237	55,436
Right of use assets	7	50,793	-
Intangible assets		52,185	58,978
Total non-current assets		157,215	114,414
TOTAL ASSETS		818,755	844,078
LIABILITIES			
Current liabilities			
Trade and other payables		7,470	16,919
Current tax liabilities		-	16,438
Lease liabilities	7	43,666	-
Total current liabilities		51,136	33,357
Non-current liabilities			
Lease liabilities	7	7,769	-
Deferred tax liabilities		7,413	7,445
Total non-current liabilities		15,182	7,445
TOTAL LIABILITIES		66,318	40,802
NET ASSETS		752,437	803,276
EQUITY			
Issued capital		729,547	729,547
Retained earnings	8	22,890	73,729
TOTAL EQUITY		752,437	803,276

Inverloch & District Financial Enterprises Limited

Statement of Changes in Equity

For the half-year ended 31 December 2019

	Note	Issued capital \$	Retained earnings \$	Total equity \$
Balance at 1 July 2018		729,547	38,810	768,357
Total comprehensive income for the half-year		-	41,497	41,497
Transactions with owners in their capacity as owners:				
Dividends provided for or paid	9	-	(48,751)	(48,751)
Balance at 31 December 2018		729,547	31,556	761,103
Balance at 1 July 2019		729,547	73,729	803,276
Total comprehensive income for the half-year		-	(2,088)	(2,088)
Transactions with owners in their capacity as owners:				
Dividends provided for or paid	9	-	(48,751)	-
Balance at 31 December 2019		729,547	22,890	752,437

Inverloch & District Financial Enterprises Limited

Statement of Cash Flows

For the half-year ended 31 December 2019

	Note	2019 \$	2018 \$
Cash flows from operating activities			
Receipts from customers		327,107	379,970
Payments to suppliers and employees		(328,547)	(328,818)
Lease payments (interest component)	7	(1,438)	-
Interest received		2,710	3,781
Income taxes paid		383	(14,350)
Net cash provided by operating activities		215	40,583
Cash flows from investing activities			
Purchase of property, plant and equipment		(1,590)	-
Net cash used in investing activities		(1,590)	-
Cash flows from financing activities			
Lease payments (principal component)	7	(21,126)	-
Dividends paid	9	(48,751)	(48,751)
Net cash used in financing activities		(69,877)	(48,751)
Net cash decrease in cash held		(71,252)	(8,168)
Cash and cash equivalents at the beginning of the financial year		709,955	634,339
Cash and cash equivalents at the end of the half-year		638,703	626,171

Inverloch & District Financial Enterprises Limited

Notes to the Financial Statements

For the half-year ended 31 December 2019

Note 1. Summary of significant accounting policies

Statement of Compliance

This general purpose financial report has been 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

This 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 2019 and any public announcements made by the company during the period.

Accounting policies

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 report and the previous corresponding interim period, apart from new Accounting Standard detailed below.

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.

New Accounting Standards Implemented

The company has considered the implications of new or amended Accounting Standards which have become applicable for the current financial reporting period. The company had to change its accounting policies and make adjustments as a result of adopting AASB 16.

The impact of the adoption of this Standard and the respective accounting policies is disclosed in Note 2.

Note 2. Changes in accounting policies

This note describes the nature and effect of the adoption of AASB 16 on the company's financial statements and discloses the new accounting policies that have been applied from 1 July 2019, where they are different to those applied in prior periods.

a) Types of leases

The company has entered into non-cancellable leases on its branch premises.

b) Impact on comparatives

The company has applied AASB 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 July 2019. Furthermore, at this date, the company has elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition as allowed under the transition provisions. As a result, there was no impact on retained earnings. Comparative information has not been restated.

Inverloch & District Financial Enterprises Limited

Notes to the Financial Statements

For the half-year ended 31 December 2019

Note 2. Changes in accounting policies (*continued*)

c) Leases

The company as lessee

At inception of a contract, the company assess if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability are recognised by the company where the company is a lessee. However, all contracts that are classified as short-term leases (i.e. leases with a remaining term of 12 months or less) and leases of low value assets are recognised as operating expenses on a straight-line basis over the term of the lease.

d) Initial application of AASB 16

The company has recognised a lease liability and right-of-use asset for all leases recognised as operating leases under AASB 117: *Leases* where the company is the lessee.

Lease liabilities are shown at the present value of the remaining lease payments. The company's incremental borrowing rate as at 1 July 2019 has been used to discount the lease payments.

The following practical expedients have been used by the company in applying AASB 16 for the first time:

- A single discount rate has been applied.
- Initial direct costs have been excluded from the measurement of the right-of-use asset at the date of initial application.
- The use of hindsight to determine lease terms on contracts that have options to extend or terminate.

e) Financial impact

Impacts on the financial statements and notes as at and for the half-year ended 31 December 2019 are shown throughout this report. As at the date of transition the impact of the new standard is summarised below in the noted items:

Balance sheet as at 1 July 2019	\$
Right-of-use assets	72,562
Lease liabilities	(72,562)
Accumulated losses	-
Lease liabilities reconciliation on transition	
Operating lease disclosure as at 30 June 2019	78,975
Less: AASB 117 lease commitments reconciliation	(6,413)
Lease liability as at 1 July 2019	72,562

Lease liabilities were discounted using a weighted average discount rate of 4.79%.

Inverloch & District Financial Enterprises Limited

Notes to the Financial Statements

For the half-year ended 31 December 2019

Note 2. Changes in accounting policies (*continued*)

f) Recognition exemption

The company pays for the right to use information technology equipment. The underlying assets have been assessed as low value and exempted from recognition under AASB 16.

	31-Dec-19 \$	30-Jun-19 \$
Expenses relating to low value leases	3,158	-

Note 3. Events subsequent to reporting date

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

Note 4. Contingent assets and liabilities

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

Note 5. 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 6. Related parties

Arrangements with related parties continue to be in place. For details on these arrangements, refer to the 30 June 2019 annual financial report.

Note 7. Leases

The company's lease arrangement includes its branch premises. The lease term is for a non-cancellable term of five years due to expire February 2021.

a) Lease liabilities

Lease liabilities were measured at amounts equal to the present value of enforceable future payments of the term reasonably expected to be exercised, discounted at the appropriate incremental borrowing rate on the adoption date. The discount rate used was 4.79%.

The discount rate used in calculating the present value of enforceable future payments takes into account the particular circumstances applicable to the underlying leased assets (including the amount, lease term, economic environment, and other relevant factors).

The company has estimated remaining lease terms including the effects of any renewal options or termination options expected to be reasonably exercised, applying hindsight where appropriate.

Inverloch & District Financial Enterprises Limited

Notes to the Financial Statements

For the half-year ended 31 December 2019

Note 7. Leases (continued)		
a) Lease liabilities (continued)	31-Dec-19	30-Jun-19
	\$	\$
Current:		
Lease Liabilities	45,132	-
Unexpired interest	(1,466)	-
	<u>43,666</u>	<u>-</u>
Non-current		
Lease Liabilities	7,814	-
Unexpired interest	(45)	-
	<u>7,769</u>	<u>-</u>
Impact on the current reporting period:		
Lease liabilities		
Initial recognition on adoption	72,562	-
Lease payments (interest component)	1,438	-
Lease payments	(22,565)	-
Lease liabilities as at 31 December 2019	<u>51,435</u>	<u>-</u>
Maturity analysis		
- not later than 12 months	45,132	-
- between 12 months and 5 years	7,814	-
Lease payments total	<u>52,946</u>	<u>-</u>
Less unexpired interest	(1,511)	-
Present value of lease liabilities	<u>51,435</u>	<u>-</u>
b) Right-of-use assets		

Right-of-use assets were measured at amounts equal to the present value of enforceable future payments on the adoption date, adjusted for lease incentives, make-good provisions, and initial direct costs.

Inverloch & District Financial Enterprises Limited

Notes to the Financial Statements

For the half-year ended 31 December 2019

Note 7. Leases (continued)

b) Right-of-use assets (continued)

	31-Dec-19	30-Jun-19
	\$	\$
Impact on the current reporting period:		
Right-of-use assets		
Initial recognition on adoption	72,562	-
Depreciation expense	(21,769)	-
Right-of-use assets as at 31 December 2019	<u>50,793</u>	<u>-</u>

Note 7. Leases (continued)

c) Impact on the profit or loss

Comparison under current AASB 16 and former AASB 117	\$
Decrease in operating lease expense	22,565
Increase in finance costs on lease liabilities	(1,438)
Increase in right-of-use assets depreciation	(21,769)
Decrease in profit before tax	<u>(642)</u>
Decrease in current income tax expense	(6,205)
Increase in current income tax expense - deferred tax	6,382
Decrease in profit after tax	<u>(465)</u>

	31-Dec-19	30-Jun-19
	\$	\$
Note 8. Accumulated losses		
Balance at the beginning of the financial year	73,729	38,810
Net loss from ordinary activities after income tax	(2,088)	83,670
Dividends provided for or paid	(48,751)	(48,751)
Balance at the end of the reporting period	<u>22,890</u>	<u>73,729</u>

	31-Dec-19		31-Dec-18	
	Cents	\$	Cents	\$
Note 9. Dividends provided for or paid				

a) Dividends paid during the period

Fully franked dividend declared and paid during the period:	<u>6.5</u>	<u>48,751</u>	<u>6.5</u>	<u>48,751</u>
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The tax rate at which dividends have been franked is 27.5% (2018: 27.5%)

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 2019 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



Philip David Clark

Dated this 5 day of March 2020.

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 2019, 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 2019 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 2019 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.



Andrew Frewin Stewart
61 Bull Street, Bendigo Vic 3550
Dated: 5th March 2020



Joshua Griffin
Lead Auditor

Taxation

Business Services

Community Banking

Audit

Share Registry

Your partners
in success



61 Bull Street
Bendigo VIC 3550
PO Box 454
Bendigo VIC 3552

P 03 5443 0344
F 03 5443 5304
E afs@afsbendigo.com.au



afsbendigo.com.au