

Tongala & District Financial Services Limited
ABN 22 094 331 665

Financial Report

As at 31 December 2015

Tongala and 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 2015.

Directors

The names of directors who held office during or since the end of the half-year:

Neil Pankhurst
Lyn Cosham
Ken Chapman
Ian Johnstone
Jean Courtney
Jill Regan
Ian Taylor
Ayden McGill

David Newman
Mark Dunwoodie
John Bentley

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 \$35,799 (2014: \$20,683).

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 2015.

The director's report is signed in accordance with a resolution of the Board of Directors at Tongala on 20 April 2016.



David Newman
Director

Dated: 20 April 2016



**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@rsdadvisors.com.au
www.rsdadvisors.com.au

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

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2015 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: 20 April 2016

Tongala and 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 2015

| | 31 Dec 2015 \$ | 31 Dec 2014 \$ |
|--|-------------------------------|-------------------------------|
| Revenue | 368,952 | 367,561 |
| Employee benefits expense | (139,452) | (149,639) |
| Depreciation and amortisation expense | (6,404) | (6,172) |
| Finance costs | (1,300) | (348) |
| Rental expenses | (4,680) | (4,327) |
| Other expenses from ordinary activities | <u>(168,407)</u> | <u>(172,009)</u> |
| Profit before charitable donations & sponsorships | 48,709 | 35,066 |
| Charitable donations and sponsorship | <u>(3,715)</u> | <u>(6,725)</u> |
| Profit before income tax | 44,994 | 28,341 |
| Income tax expense | <u>(14,108)</u> | <u>(7,658)</u> |
| Profit for the period | 30,886 | 20,683 |
| Other comprehensive income | <u>-</u> | <u>-</u> |
| Total comprehensive income for the period | <u>30,886</u> | <u>20,683</u> |
| Profit attributable to members of the company | 30,886 | 20,683 |
| Total comprehensive income attributable to members of the company | <u>30,886</u> | <u>20,683</u> |
| Earnings per share (cents per share) | | |
| - basic earnings per share | 9.05 | 6.06 |

The accompanying notes form part of these financial statements

Tongala and District Financial Services Limited

ABN 22 094 331 665

Statement of Financial Position

as at 31 December 2015

| | 31 Dec 2015 \$ | 30 Jun 2015 \$ |
|--------------------------------------|----------------------|----------------------|
| ASSETS | | |
| Current Assets | | |
| Cash and cash equivalents | 146,847 | 214,480 |
| Trade and other receivables | 41,010 | 21,718 |
| Total Current Assets | <u>187,857</u> | <u>236,198</u> |
| Non-Current Assets | | |
| Property, plant and equipment | 143,493 | 17,883 |
| Intangible assets | 12,500 | 15,000 |
| Total Non-Current Assets | <u>155,993</u> | <u>32,883</u> |
| Total Assets | <u>343,850</u> | <u>269,081</u> |
| LIABILITIES | | |
| Current Liabilities | | |
| Trade and other payables | 12,560 | 21,912 |
| Borrowings | 16,523 | 5,871 |
| Current tax payable | 9,414 | 3,389 |
| Provisions | 4,941 | 1,846 |
| Total Current Liabilities | <u>43,438</u> | <u>33,018</u> |
| Non-Current Liabilities | | |
| Borrowings | 51,717 | 1,957 |
| Provisions | 8,222 | 7,451 |
| Total Non-Current Liabilities | <u>59,939</u> | <u>9,408</u> |
| Total Liabilities | <u>103,377</u> | <u>42,426</u> |
| Net Assets | <u>240,473</u> | <u>226,655</u> |
| Equity | | |
| Issued capital | 341,350 | 341,350 |
| Accumulated losses | (100,877) | (114,695) |
| Total Equity | <u>240,473</u> | <u>226,655</u> |

The accompanying notes form part of these financial statements

Tongala and District Financial Services Limited
ABN 22 094 331 665
Statement of Changes in Equity
for the half-year ended 31 December 2015

| | Note | Issued Capital \$ | Retained Earnings \$ | Total Equity \$ |
|--|------|-------------------------|----------------------------|-----------------------|
| Balance at 1 July 2014 | | 341,350 | (145,570) | 195,780 |
| Total comprehensive income for the period | | - | 20,683 | 20,683 |
| Transactions with owners in their capacity as owners: | | | | |
| Dividends recognised for the period | 5 | - | (17,068) | (17,068) |
| Balance at 31 December 2014 | | 341,350 | (141,955) | 199,395 |
| Balance at 1 July 2015 | | 341,350 | (114,695) | 226,655 |
| Total comprehensive income for the period | | - | 30,886 | 30,886 |
| Transactions with owners in their capacity as owners: | | | | |
| Dividends recognised for the period | 5 | - | (17,068) | (17,068) |
| Balance at 31 December 2015 | | 341,350 | (100,877) | 240,473 |

The accompanying notes form part of these financial statements

Tongala and District Financial Services Limited
ABN 22 094 331 665
Statement of Cash Flows
for the half-year ended 31 December 2015

| | 31 Dec 2015 \$ | 31 Dec 2014 \$ |
|---|-------------------------------|-------------------------------|
| Cash Flows From Operating Activities | | |
| Receipts from customers | 383,166 | 364,095 |
| Payments to suppliers and employees | (352,964) | (338,025) |
| Interest received | 2,707 | 2,402 |
| Interest paid | (1,300) | (348) |
| Income tax paid | (13,072) | - |
| | <u>18,537</u> | <u>28,124</u> |
| Net cash flows from operating activities | 18,537 | 28,124 |
| Cash Flows From Investing Activities | | |
| Purchase of property, plant and equipment | (129,514) | (5,682) |
| | <u>(129,514)</u> | <u>(5,682)</u> |
| Net cash flows used in investing activities | (129,514) | (5,682) |
| Cash Flows From Financing Activities | | |
| Proceeds from borrowings | 65,000 | (2,933) |
| Repayment of borrowings | (4,588) | - |
| Dividends paid | (17,068) | (17,068) |
| | <u>43,344</u> | <u>(20,001)</u> |
| Net cash flows from / (used in) financing activities | 43,344 | (20,001) |
| Net increase / (decrease) in cash held | (67,633) | 2,441 |
| Cash and cash equivalents at 1 July | <u>214,480</u> | <u>190,089</u> |
| Cash and cash equivalents at end of period | <u>146,847</u> | <u>192,530</u> |

The accompanying notes form part of these financial statements

Tongala and District Financial Services Limited
ABN 22 094 331 665
Notes to the Financial Statements
for the half-year ended 31 December 2015

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 2015 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 and 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 2015, 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 2015.

(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 2015.

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

The following Australian Accounting Standards and amendments to Australian Accounting Standards have become mandatory for the reporting period commencing 1 July 2015:

- AASB 111 Construction Contracts
- AASB 1004 Contributions
- AASB 1039 Concise Financial Reports
- AASB 2015-3 Amendments to Australian Accounting Standards arising from the withdrawal of AASB 1031 Materiality
- AASB 2015-4 Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australian Groups with a Foreign Parent

None of the above new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2015 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods. There were no other new or revised Accounting Standards 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 2015.

Tongala and District Financial Services Limited
ABN 22 094 331 665
Notes to the Financial Statements
for the half-year ended 31 December 2015

(e) Income Tax

In the federal budget released May 2014, the Government announced a reduction to the company tax rate for small business from 30% to 28.5% for period beginning on 1 July 2015. This change has been applied prospectively.

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 Tongala, Victoria.

5. Dividends

| | 2015 | 2014 |
|---|-------------|-------------|
| Dividends paid during the half year: | \$ | \$ |
| Final unfranked dividend for the period ended 31 December 2015 of 5 cents (2014: 5 cents) | 17,068 | 17,068 |

Tongala and District Financial Services Limited
ABN 22 094 331 665
Directors Declaration
for the half-year ended 31 December 2015

In the opinion of the directors of Tongala and District Financial Services Limited:

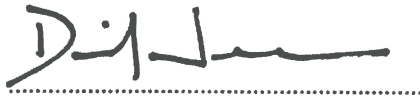
(1) The financial statements and notes, as set out on pages 3 to 8 are in accordance with the *Corporations Act 2001*, including:

(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 2015 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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David Newman
Director

Signed at Tongala on 20 April 2016

INDEPENDENT AUDITOR'S REVIEW REPORT

To the directors of Tongala and District Financial Services Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Tongala and District Financial Services Limited, which comprises the statement of financial position as at 31 December 2015, the statement of 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 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 2015 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 and 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 and 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 and 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 2015 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: 20 April 2016