

Inverloch & District Financial Enterprises Limited

ABN 13 117 672 590

Half-year Financial Report - 31 December 2022

Inverloch & District Financial Enterprises Limited
Directors' report
31 December 2022

The directors present their report, together with the financial statements, on the company for the half-year ended 31 December 2022.

Directors

The following persons were directors of the company during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Jacqueline Anne Colwell	Thomas James McQualter
Tristan Andrew Creed	Mark Gerard McCormack
Susan Joy Ruffin	Philip David Clark
Kerralie Joy Shaw	Rosieanne "Dona" Antoinette Eloise Tantirimudalige Dona
Emily Beatrice Louise Hardy (resigned 20 September 2022)	Johan de Groot (resigned 10 November 2022)

Principal activity

The principal activity of the company during the financial half-year was facilitating Community Bank services under management rights of Bendigo and Adelaide Bank Limited (Bendigo Bank).

Review of operations

The profit for the company after providing for income tax amounted to \$128,506 (31 December 2021: loss of \$30,534).

The company has seen a significant increase in its revenue during the period. This is a result of the Reserve Bank of Australia (RBA) increasing the cash rate by 2.25 basis points during the period moving from 0.85% to 3.10% as at 31 December 2022. The increased cash rate has had a direct impact on the revenue received by the company, increasing the net interest margin income received under the revenue share arrangement.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the company during the financial half-year.

Matters subsequent to the end of the financial half-year

No other matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the *Corporations Act 2001*.

On behalf of the directors



Jacqueline Anne Colwell
Chair

7 February 2023



Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550
ABN: 65 684 604 390
afs@afsbendigo.com.au
(03) 5443 0344

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 2022 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.

A handwritten signature in black ink, appearing to read 'Andrew Frewin Stewart', is positioned above the name and contact information.

Andrew Frewin Stewart
61 Bull Street, Bendigo Vic 3550
Dated: 7 February 2023

A handwritten signature in black ink, appearing to read 'Joshua Griffin', is positioned above the name and title.

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 2022

	Note	31-Dec-22 \$	31-Dec-21 \$
Revenue from contracts with customers	3	425,900	203,758
Other revenue		5,000	7,500
Finance revenue		6,870	890
Total revenue		<u>437,770</u>	<u>212,148</u>
Employee benefits expense		(165,689)	(145,792)
Advertising and marketing costs		(3,217)	(1,104)
Occupancy and associated costs		(10,633)	(14,204)
Systems costs		(7,782)	(8,764)
Depreciation and amortisation expense		(31,790)	(31,887)
Finance costs		(2,648)	(3,355)
General administration expenses		(42,376)	(45,427)
Total expenses		<u>(264,135)</u>	<u>(250,533)</u>
Profit/(loss) before community contributions and income tax (expense)/benefit		173,635	(38,385)
Charitable donations and sponsorships expense		<u>(1,791)</u>	<u>(2,100)</u>
Profit/(loss) before income tax (expense)/benefit		171,844	(40,485)
Income tax (expense)/benefit		<u>(43,338)</u>	<u>9,951</u>
Profit/(loss) after income tax (expense)/benefit for the half-year		128,506	(30,534)
Other comprehensive income for the half-year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income for the half-year		<u><u>128,506</u></u>	<u><u>(30,534)</u></u>
		Cents	Cents
Basic earnings per share		17.13	(4.07)
Diluted earnings per share		17.13	(4.07)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Inverloch & District Financial Enterprises Limited
Statement of financial position
As at 31 December 2022

	31-Dec-22 \$	30-Jun-22 \$
Assets		
Current assets		
Cash and cash equivalents	678,072	528,288
Trade and other receivables	83,321	37,705
Total current assets	<u>761,393</u>	<u>565,993</u>
Non-current assets		
Property, plant and equipment	33,436	37,913
Right-of-use assets	132,879	153,859
Intangibles	41,021	47,351
Deferred tax assets	-	12,910
Total non-current assets	<u>207,336</u>	<u>252,033</u>
Total assets	<u>968,729</u>	<u>818,026</u>
Liabilities		
Current liabilities		
Trade and other payables	39,411	28,517
Lease liabilities	41,835	41,102
Current tax liabilities	27,890	-
Employee benefits	3,101	1,857
Total current liabilities	<u>112,237</u>	<u>71,476</u>
Non-current liabilities		
Trade and other payables	28,466	28,466
Lease liabilities	92,012	113,114
Deferred tax liabilities	2,538	-
Total non-current liabilities	<u>123,016</u>	<u>141,580</u>
Total liabilities	<u>235,253</u>	<u>213,056</u>
Net assets	<u>733,476</u>	<u>604,970</u>
Equity		
Issued capital	729,547	729,547
Retained earnings/(accumulated losses)	3,929	(124,577)
Total equity	<u>733,476</u>	<u>604,970</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Inverloch & District Financial Enterprises Limited
Statement of changes in equity
For the half-year ended 31 December 2022

	Issued capital \$	Retained earnings \$	Total Equity \$
Balance at 1 July 2021	<u>729,547</u>	<u>(78,965)</u>	<u>650,582</u>
Loss after income tax benefit	-	(30,534)	(30,534)
Other comprehensive income, net of tax	-	-	-
Total comprehensive income	<u>-</u>	<u>(30,534)</u>	<u>(30,534)</u>
Balance at 31 December 2021	<u><u>729,547</u></u>	<u><u>(109,499)</u></u>	<u><u>620,048</u></u>
Balance at 1 July 2022	<u>729,547</u>	<u>(124,577)</u>	<u>604,970</u>
Profit after income tax expense	-	128,506	128,506
Other comprehensive income, net of tax	-	-	-
Total comprehensive income	<u>-</u>	<u>128,506</u>	<u>128,506</u>
Balance at 31 December 2022	<u><u>729,547</u></u>	<u><u>3,929</u></u>	<u><u>733,476</u></u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Inverloch & District Financial Enterprises Limited
Statement of cash flows
For the half-year ended 31 December 2022

	31-Dec-22	31-Dec-21
	\$	\$
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	434,576	230,451
Payments to suppliers and employees (inclusive of GST)	(263,104)	(238,485)
Interest received	1,329	74
Income taxes refunded	-	8,896
	<u>172,801</u>	<u>936</u>
Cash flows from financing activities		
Repayment of lease liabilities	<u>(23,017)</u>	<u>(26,853)</u>
Net cash used in financing activities	<u>(23,017)</u>	<u>(26,853)</u>
Net increase/(decrease) in cash and cash equivalents	149,784	(25,917)
Cash and cash equivalents at the beginning of the financial half-year	<u>528,288</u>	<u>593,911</u>
Cash and cash equivalents at the end of the financial half-year	<u><u>678,072</u></u>	<u><u>567,994</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Inverloch & District Financial Enterprises Limited

Notes to the financial statements

31 December 2022

Note 1. Significant accounting policies

Statement of compliance

These general purpose financial statements for the interim half-year reporting period ended 31 December 2022 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

Accounting policies

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

Note 2. Basis of preparation

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The financial statements comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB). The financial statements have been prepared on an accrual and historical cost basis.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2022 and any public announcements made by the company during the period.

Note 3. Revenue from contracts with customers

	31-Dec-22	31-Dec-21
	\$	\$
Margin income	385,332	166,406
Fee income	16,559	16,665
Commission income	24,009	20,687
Revenue from contracts with customers	<u>425,900</u>	<u>203,758</u>

Disaggregation of revenue

All revenue from contracts with customers has been recognised at a point in time during the half-year.

Note 4. Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 5. Contingent assets and liabilities

There were no contingent assets or liabilities at the date of this report that would materially affect the financial statements at the reporting date.

Note 6. Related party transactions

Arrangements with related parties continue to be in place. For details on these arrangements, refer to the 30 June 2022 annual financial report.

Note 7. Events after the reporting date

No matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Inverloch & District Financial Enterprises Limited
Directors' declaration
31 December 2022

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, Australian Accounting Standard *AASB 134 'Interim Financial Reporting'*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 31 December 2022 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the *Corporations Act 2001*.

On behalf of the directors



Jacqueline Anne Colwell
Chair

7 February 2023



Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550
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Independent auditor's review report to the Directors of Inverloch & District Financial Enterprises Limited

Report on the half-year financial report

Conclusion

We have reviewed the half-year financial report of Inverloch & District Financial Enterprises Limited (the company), which comprises the statement of financial position as at 31 December 2022, 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, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Inverloch & District Financial Enterprises Limited does not comply with the *Corporations Act 2001* including:

- a. giving a true and fair view of the company's financial position at 31 December 2022 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*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410: *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the 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 gives a true and fair view and is free from material misstatement, whether due to fraud error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether 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 2022 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*.

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.



Andrew Frewin Stewart
61 Bull Street, Bendigo VIC 3550
Dated: 7 February 2023



Joshua Griffin
Lead Auditor