

Trafalgar & District Financial Services Ltd

ABN 86 102 573 222



Financial Statements

as at 31 December 2009

**Trafalgar and District
Financial Services Limited**

Financial Statements

as at

31 December 2009

Trafalgar and District Financial Services Limited
ABN 86 102 573 222
Directors' Report

Your directors submit the financial report of the company for the half-year ended 31 December 2009.

Directors

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

Michael Bourke
Peter Cooke
Peter Marx
Michelle Robertson (Appointed 5 November 2009)
Christopher Badger (Appointed 4 December 2009)
Sally Brown (Appointed 4 December 2009)
Glenn Fozard (Appointed 4 December 2009)
Prudence Hall (Appointed 3 December 2009)
Joanne Porter (Appointed 3 December 2009)
Robert Carlesso (Resigned 5 November 2009)
Michael Fozard (Resigned 5 November 2009)
William Harrington (Resigned 5 November 2009)
Peter Snape (Resigned 5 November 2009)
Michael Curtain (Resigned 5 November 2009)

Principal Activities

The principal activities of the company during the course of the financial period were in 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/(loss) of the company for the financial period was: \$88,305 [2008: \$68,028].

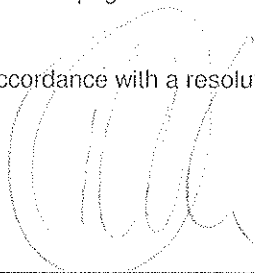
Matters Subsequent to the End of the Reporting Period

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.

Auditors' 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 on 1st of April 2010.



Michael Bourke, Chairman

Trafalgar and District Financial Services Limited
 ABN 86 102 573 222
 Income Statement
 for the half-year ended 31 December 2009

| | 31-Dec 2009 \$ | 31-Dec 2008 \$ |
|---|----------------------|----------------------|
| REVENUE | | |
| Revenue from ordinary activities | | |
| Income from operations | 375,325 | 328,461 |
| Interest received | 8,398 | 12,075 |
| | 383,723 | 340,536 |
| EXPENSES | | |
| Employee benefit expenses | 136,407 | 129,001 |
| Depreciation | 4,831 | 4,669 |
| Amortisation of franchise fee | 6,886 | 3,396 |
| General administration | 69,230 | 63,080 |
| Leasing costs | 4,371 | 3,949 |
| Audit services | 585 | - |
| Advertising and promotion | 2,347 | 2,443 |
| Marketing and sponsorships | 13,904 | 23,722 |
| Grants | - | - |
| Occupancy costs | 14,962 | 12,790 |
| | 253,523 | 243,050 |
| PROFIT (LOSS) FROM ORDINARY ACTIVITIES BEFORE INCOME TAX | 130,200 | 97,486 |
| Income tax relating to ordinary activities | (41,895) | (29,459) |
| | 88,305 | 68,028 |
| NET PROFIT FOR THE PERIOD | 88,305 | 68,028 |
| NET PROFIT ATTRIBUTABLE TO MEMBERS OF THE ENTITY | 88,305 | 68,028 |
| Earnings per share (cents per share) | | |
| - basic for the period (cents) | 16.6 | 12.8 |
| - diluted for the period (cents) | 16.6 | 12.8 |

The accompanying notes form part of these financial statements.

Trafalgar and District Financial Services Limited
 ABN 86 102 573 222
 Balance Sheet
 as at 31 December 2009

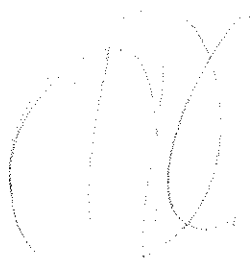
| | 31-Dec 2009 \$ | 30-Jun 2009 \$ |
|--------------------------------------|----------------------|----------------------|
| ASSETS | | |
| Current Assets | | |
| Cash assets | 550,629 | 469,090 |
| Receivables | 73,670 | 64,894 |
| Other | 5,433 | 6,143 |
| Total Current Assets | 629,732 | 540,127 |
| Non-Current Assets | | |
| Intangibles | 53,712 | 60,599 |
| Plant and equipment | 70,141 | 74,972 |
| Total Non-Current Assets | 123,854 | 135,571 |
| Total Assets | 753,586 | 675,698 |
| LIABILITIES | | |
| Current Liabilities | | |
| Payables | 37,742 | 39,537 |
| Provisions | 80,266 | 66,443 |
| Total Current Liabilities | 118,008 | 105,980 |
| Non-Current Liabilities | | |
| Provisions | 17,664 | 13,466 |
| Total Non-Current Liabilities | 17,664 | 13,466 |
| Total Liabilities | 135,672 | 119,446 |
| Net Assets | 617,914 | 556,252 |
| Equity | | |
| Contributed equity | 532,859 | 532,859 |
| Accumulated profits/(losses) | 85,055 | 23,393 |
| Total Equity | 617,914 | 556,252 |



The accompanying notes form part of these financial statements.

Trafalgar and District Financial Services Limited
 ABN 86 102 573 222
 Statement of Changes in Equity
 for the half-year ended 31 December 2009

| | Contributed Equity \$ | Retained Earnings \$ | Total Equity \$ |
|------------------------------------|-----------------------------|----------------------------|-----------------------|
| At 1 July 2008 | 532,859 | (83,837) | 449,022 |
| Profit (loss) for the period | - | 68,028 | 68,028 |
| Dividends provided for or paid | - | - | - |
| Balance at 31 December 2008 | <u>532,859</u> | <u>(15,809)</u> | <u>517,050</u> |
| | | | |
| Balance at 1 July 2009 | 532,859 | 23,393 | 556,252 |
| Profit (loss) for the period | - | 88,305 | 88,305 |
| Dividends provided for or paid | - | (26,643) | (26,643) |
| Balance at 31 December 2009 | <u>532,859</u> | <u>85,055</u> | <u>617,914</u> |



The accompanying notes form part of these financial statements.

Trafalgar and District Financial Services Limited
 ABN 86 102 573 222
 Cash Flow Statement
 for the half-year ended 31 December 2009

| | 2009 | 2008 |
|--|-----------------|-----------------|
| | \$ | \$ |
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Receipts from operations | 404,082 | 359,077 |
| Payments to suppliers and employees | (252,891) | (241,172) |
| Interest received | 7,046 | 16,148 |
| Amounts paid to the Australian Taxation Office | (23,091) | (26,143) |
| Income tax paid | (26,964) | (8,216) |
| Net cash provided by/(used in) operating activities | 108,182 | 99,694 |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Payment of franchise fee | - | (68,862) |
| Payment for property, plant and equipment | - | (846) |
| Net cash provided by/(used in) investing activities | - | (69,708) |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from borrowings | - | - |
| Repayment of borrowings | - | - |
| Dividends paid | (26,643) | - |
| Net cash provided by/(used in) financing activities | (26,643) | - |
| Net increase/(decrease) in cash held | 81,539 | 29,986 |
| Cash at the beginning of the period | 469,090 | 372,487 |
| Cash at the end of the half-year | 550,629 | 402,473 |

The accompanying notes form part of these financial statements.

Trafalgar and District Financial Services Limited
ABN 86 102 573 222
Notes to the financial statements
for the half-year ended 31 December 2009

1. Basis of Preparation of the Half-Year Financial Statements

Statement of Compliance

The half-year financial statements are a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001*, *Australian Accounting Standards AASB 134: Interim Financial Reporting*, *Australian Accounting Interpretations* and other authoritative pronouncements of the *Australian Accounting Standards Board ('AASB')*.

Basis of Accounting

The half-year financial report 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 financial report for the year ended 30 June 2009 and any public pronouncements made by the company during the period.

The accounting policies set out below have been applied in preparing the financial statements for the half-year ended 31 December 2009. All accounting policies are consistent with those applied in the 30 June 2009 financial statements except as set out below.

Reporting Basis and Convention

The half-year financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values, or except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

2. Events Subsequent to Reporting Date

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

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

4. Segment Reporting

The economic entity operates in the service sector where it facilitates community banking services pursuant to a franchise agreement with Bendigo and Adelaide Bank Limited. The economic entity operates in one geographic area being Trafalgar, Yarragon, Willow Grove, Thorpdale and surrounding areas of Gippsland in Victoria.

5. Contributed Equity

| | 2009 | 2008 |
|--|----------------|----------------|
| | \$ | \$ |
| 532,859 Ordinary shares fully paid (2008: 532,859) | 532,859 | 532,859 |
| | <u>532,859</u> | <u>532,859</u> |

Trafalgar and District Financial Services Limited
 ABN 86 102 573 222
 Notes to the financial statements
 for the half-year ended 31 December 2009

6. Dividends Paid

| Period ended 31 December 2009 | 2009 Cents | 2009 \$ | 2008 Cents | 2008 \$ |
|--|---------------|------------|---------------|------------|
| Interim dividend declared | - | - | - | - |
| Dividends paid in the year - interim for the year | 5 | 26,643 | - | - |

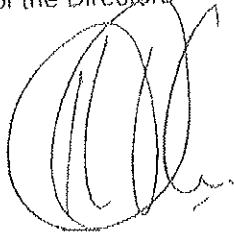
Trafalgar and District Financial Services Limited
ABN 86 102 573 222
Directors' Declaration

In the opinion of the directors of Trafalgar and District Financial Services 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 2009 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.

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

On behalf of the Directors



Michael Bourke, Chairman

Dated this 1st day of April 2010.

**Auditors Independence Declaration
Under Section 307C of the Corporations Act 2001**

**To the Directors of
Trafalgar & District Financial Services Limited**

I declare that, to the best of my knowledge and belief, in relation to the audit of Trafalgar & District Financial Services Limited for the six months ended 31 December 2009 there have been;

- a) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.



R L Male FCA

Taylor Partners Pty Ltd
220 Chesterville Road, Moorabin, Vic

Dated this 9th day of April, 2010