

# **Trafalgar and District**

## **Financial Services Limited**

### **Financial Statements**

**as at**

**31 December 2011**

**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 2011.

**Directors**

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

Dylan Berends - resigned 1/10/2011  
Michael Bourke  
Sally Brown - resigned 3/11/2011  
Jane Coots - appointed 3/11/2011  
Christopher Hardy - appointed 3/11/2011  
Dianne Harrison  
Peter Marx  
Wayne McArdle  
Michelle Robertson - resigned 3/11/2011  
Gary Smith  
Melanie White - appointed 1/12/2011

**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 of the company for the financial period was: \$77,093 [2010:\$103,474].

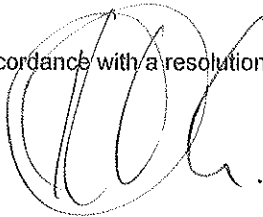
**Matters Subsequent to the End of the Reporting Period**

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 .....



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**Michael Bourke, Chairman**

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

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

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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, 2011 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, Moorabbin, Vic

Dated this 2<sup>nd</sup> day of March, 2012

**Trafalgar and District Financial Services Limited**  
**ABN 86 102 573 222**  
**Income Statement**  
**for the half-year ended 31 December 2011**

	<b>31-Dec 2011</b>	<b>31-Dec 2010</b>
	\$	\$
<b>REVENUE</b>		
Revenue from ordinary activities		
Income from operations	441,861	434,256
Interest received	14,884	12,691
	456,745	446,947
<b>EXPENSES</b>		
Employee benefit expenses	169,630	154,653
Depreciation	5,336	4,447
Amortisation of franchise fee	6,886	6,886
General administration	89,144	63,186
Leasing costs	3,475	4,173
Audit services	700	686
Advertising and promotion	3,048	3,763
Marketing and sponsorships	51,014	36,901
Occupancy costs	21,747	21,451
	350,980	296,146
<b>Profit before income tax expense</b>	105,765	150,801
Income tax relating to ordinary activities	(28,672)	(47,327)
	77,093	103,474
<b>Profit for the period</b>	77,093	103,474
<b>Profit attributable to members of the entity</b>	77,093	103,474
<b>Earnings per share (cents per share)</b>		
- basic for the period (cents)	14.5	19.4
- diluted for the period (cents)	14.5	19.4

*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 2011**

	31-Dec 2011 \$	30-Jun 2011 \$
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash assets	597,579	544,560
Receivables	80,024	78,260
Other	3,744	7,859
<b>Total Current Assets</b>	<u>681,347</u>	<u>630,679</u>
<b>Non-Current Assets</b>		
Intangibles	26,168	33,054
Plant and equipment	96,290	74,558
Deferred tax asset	9,012	9,254
<b>Total Non-Current Assets</b>	<u>131,470</u>	<u>116,866</u>
<b>Total Assets</b>	<u>812,817</u>	<u>747,545</u>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Payables	38,807	27,021
Provisions	55,787	42,141
<b>Total Current Liabilities</b>	<u>94,594</u>	<u>69,162</u>
<b>Non-Current Liabilities</b>		
Provisions	10,535	9,254
Deferred tax liability	1,123	2,358
<b>Total Non-Current Liabilities</b>	<u>11,658</u>	<u>11,612</u>
<b>Total Liabilities</b>	<u>106,252</u>	<u>80,774</u>
<b>Net Assets</b>	<u>706,565</u>	<u>666,771</u>
<b>Equity</b>		
Issued Capital	532,859	532,859
Retained Earnings	173,706	133,912
<b>Total Equity</b>	<u>706,565</u>	<u>666,771</u>

*The accompanying notes form part of these financial statements.*

**Trafalgar and District Financial Services Limited**  
**ABN 86 102 573 222**  
**Condensed Statement of Changes in Equity**  
**for the half-year ended 31 December 2011**

	<u>Notes</u>	Issued Capital \$	Retained Earnings \$	Total Equity \$
Balance at 1 July 2010	5	532,859	58,786	591,645
Net profit for the period		-	103,474	103,474
Dividends paid	7	-	(31,971)	(31,971)
		<hr/>	<hr/>	<hr/>
<b>Balance at 31 December 2010</b>		<u><u>532,859</u></u>	<u><u>130,289</u></u>	<u><u>663,148</u></u>
Balance at 1 July 2011	5	532,859	133,912	666,771
Net profit for the period		-	77,093	77,093
Dividends paid	7	-	(37,299)	(37,299)
		<hr/>	<hr/>	<hr/>
<b>Balance at 31 December 2011</b>		<u><u>532,859</u></u>	<u><u>173,706</u></u>	<u><u>706,565</u></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 2011**

	<b>31-Dec 2011 \$</b>	<b>31-Dec 2010 \$</b>
<b>Cashflow From Operating Activities</b>		
Receipts from operations	484,305	471,185
Payments to suppliers and employees	(354,097)	(302,680)
Interest received	18,999	12,283
GST paid	(15,791)	(16,718)
Income tax paid	(16,030)	(13,551)
<b>Net cash provided by operating activities</b>	<u>117,386</u>	<u>150,519</u>
<b>Cash Flows From Investing Activities</b>		
Payment for property, plant and equipment	(27,068)	(4,776)
<b>Net cash used in investing activities</b>	<u>(27,068)</u>	<u>(4,776)</u>
<b>Cash Flows From Financing Activities</b>		
Dividends paid	(37,299)	(31,971)
<b>Net cash used in financing activities</b>	<u>(37,299)</u>	<u>(31,971)</u>
<b>Net increase in cash held</b>	53,019	113,772
Cash at the beginning of the period	544,560	441,005
<b>Cash at the end of the half-year</b>	<u>597,579</u>	<u>554,777</u>

*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 2011**

**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 2011 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 2011. All accounting policies are consistent with those applied in the 30 June 2011 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**

	<b>31-Dec 2011</b>	<b>31-Dec 2010</b>
	<b>\$</b>	<b>\$</b>
532,859 Ordinary shares fully paid (2010: 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 2011**

**6. Related Parties**

There are no arrangements with related parties.

<b>7. Dividends Paid</b>	<b>31-Dec 2011</b>	<b>31-Dec 2010</b>
	<b>\$</b>	<b>\$</b>
<i>Dividends paid during the half year</i>		
Interim dividend paid for the year ending 30 June 2012 of 7 cents	37,299	31,971

**8. Disclosure of Prior Period Comparative Changes**

Prior period comparative figures have been adjusted as disclosed below

<b>Income Statement</b>				
	<b>2010 Financial Report</b>	<b>Restatement</b>	<b>Note</b>	<b>2010 Restated Comparative</b>
<b>REVENUE</b>				
Revenue from ordinary activities				
Income from operations	434,256	-		434,256
Interest received	12,691	-		12,691
	<u>446,947</u>	<u>-</u>		<u>446,947</u>
<b>EXPENSES</b>				
Employee benefit expenses	154,653	-		154,653
Depreciation	4,447	-		4,447
Amortisation of franchise fee	6,886	-		6,886
General administration	63,186	-		63,186
Leasing costs	4,173	-		4,173
Audit services	686	-		686
Advertising and promotion	3,763	-		3,763
Marketing and sponsorships	36,901	-		36,901
Occupancy costs	21,451	-		21,451
	<u>296,146</u>	<u>-</u>		<u>296,146</u>
<b>Profit before income tax expense</b>	<b>150,801</b>	<b>-</b>		<b>150,801</b>
Income tax relating to ordinary activities	(46,183)	(1,144)	1	(47,327)
<b>Profit for the period</b>	<b>104,618</b>	<b>(1,144)</b>	<b>1</b>	<b>103,474</b>
<b>Profit attributable to members of the entity</b>	<b>104,618</b>	<b>(1,144)</b>	<b>1</b>	<b>103,474</b>
<b>Earnings per share (cents per share)</b>				
- basic for the period (cents)	19.6	(0.2)	1	19.4
- diluted for the period (cents)	19.6	(0.2)	1	19.4

**Trafalgar and District Financial Services Limited**  
**ABN 86 102 573 222**  
**Notes to the financial statements**  
**for the half-year ended 31 December 2011**

**Statement of Changes in Equity**

**2010 Financial Report**

	<b>Issued Capital \$</b>	<b>Retained Earnings \$</b>	<b>Total Equity \$</b>
<b>Balance at 1 July 2010</b>	532,859	49,147	582,006
Net profit for the period	-	104,618	104,618
Dividends paid	-	(31,971)	(31,971)
<b>Balance at 31 December 2010</b>	<u>532,859</u>	<u>121,794</u>	<u>654,653</u>

**2010 Restated Comparative**

	<b>Issued Capital \$</b>	<b>Retained Earnings \$</b>	<b>Note</b>	<b>Total Equity \$</b>	<b>Note</b>
<b>Balance at 1 July 2010</b>	532,859	58,786	1	591,645	1
Net profit for the period	-	103,474	1	103,474	1
Dividends paid	-	(31,971)		(31,971)	
<b>Balance at 31 December 2010</b>	<u>532,859</u>	<u>130,289</u>	1	<u>663,148</u>	1

1. Recognition of deferred tax assets and deferred tax liabilities

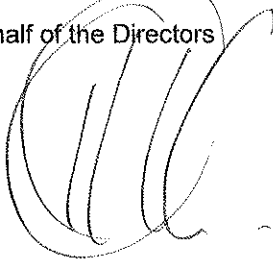
**Trafalgar and District Financial Services Limited**  
**ABN 86 102 573 222**  
**Directors' Declaration**

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 2011 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



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**Michael Bourke, Chairman**

Dated this.....1/3/2012

**INDEPENDENT AUDITORS' REPORT**  
**TO THE MEMBERS OF**  
**TRAFALGAR & DISTRICT FINANCIAL SERVICES LTD**

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**SCOPE**

We have audited the financial report of Trafalgar & District Financial Services Limited set out in the Income Statement, Balance Sheet, Cash Flow Statement and Notes to the Financial Statements for the six months ended 31 December 2011. The Company's directors are responsible for the financial report. We have conducted an independent audit of this financial report in order to express an opinion on them to the members of the company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements and statutory requirements so as to present a view which is consistent with our understanding of the company's financial position, and performance as represented by the results of their operations and their cash flows.

The audit opinion expressed in this report has been formed on the above basis.

**Audit Opinion**

In our opinion, the financial report of Trafalgar & District Financial Services Limited is in accordance with:

- (a) the Corporations Act 2001, including:
  - (i) giving a true and fair view of the company's financial position as at 31 December 2011 and of its performance for the year ended on that date; and
  - (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements in Australia.

**TAYLOR PARTNERS**  
**CHARTERED ACCOUNTANTS**



**R. MALE FCA**  
**PARTNER**

Date: 2<sup>nd</sup> March, 2012