

**TRAFALGAR & DISTRICT
FINANCIAL SERVICES LTD**

ABN: 86 102 573 222

**INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 DECEMBER 2012**

TRAFALGAR & DISTRICT FINANCIAL SERVICES LTD
ABN: 86 102 573 222

DIRECTORS' REPORT

Your directors submit the financial report of the company for the half-year ended 31 December 2012.

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 Marx - Resigned 1 November 2012
Gary Smith
Dianne Harrison
Wayne McArdle
Jane Coots
Christopher Hardy - Resigned 20 August 2012
Melanie White
Stuart Earle - Appointed 20 November 2012
Victor Hill - Appointed 7 December 2012

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: \$45,246 [2011:\$77,093].

Auditors' Independence Declaration

The lead auditors' independence declaration under s 307C of the *Corporations Act 2001* is set out on page 2 for the half-year ended 31 December 2012.

This directors' report is signed in accordance with a resolution of the Board of Directors.



Dianne Harrison
Director

Dated this 13 day of march 2013

**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, 2012 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 7th day of March, 2013

TRAFALGAR & DISTRICT FINANCIAL SERVICES LTD
ABN: 86 102 573 222

STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

	Note	31/12/2012 \$	31/12/2011 \$
REVENUE			
Income from operations		458,963	441,861
Interest received		12,435	14,884
Gain/(Loss) on Disposal of Non Current Assets		(6,011)	-
TOTAL REVENUE		465,387	456,745
EXPENSES			
Employee benefit expenses		202,352	169,630
Depreciation		7,214	5,336
Amortisation of franchise fee		6,886	6,886
General administration		107,012	89,144
Leasing costs		5,789	3,475
Audit services		700	700
Advertising and promotion		5,057	3,048
Marketing and sponsorships		45,854	51,014
Occupancy costs		18,346	21,747
TOTAL EXPENSES		399,210	350,980
PROFIT (LOSS) FROM ORDINARY ACTIVITIES BEFORE INCOME TAX & MARKET DEVELOPMENT		66,177	105,765
Market Development Grants		-	-
Income Tax Expense		20,931	28,672
NET PROFIT (LOSS) AFTER INCOME TAX		45,246	77,093
Earnings per share (cents per share)			
- basic for the period (cents)		8.49	14.47
- diluted for the period (cents)		8.49	14.47

The accompanying notes form part of these financial statements.

TRAFALGAR & DISTRICT FINANCIAL SERVICES LTD
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STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2012

	Note	31/12/2012 \$	30/06/2012 \$
CURRENT ASSETS			
Cash & Cash Equivalents		612,425	563,806
Trade & Other Receivables		84,723	84,808
Other Current Assets		11,927	7,343
TOTAL CURRENT ASSETS		709,075	655,957
NON-CURRENT ASSETS			
Intangibles		12,395	19,281
Plant and Equipment		78,519	90,457
Deferred Tax Asset		9,256	9,215
TOTAL NON-CURRENT ASSETS		100,170	118,953
TOTAL ASSETS		809,245	774,910
CURRENT LIABILITIES			
Trade & Other Payables		51,391	35,569
Provisions		30,219	22,071
TOTAL CURRENT LIABILITIES		81,610	57,640
NON-CURRENT LIABILITIES			
Provisions		3,116	2,072
Deferred Tax Liability		3,578	2,203
TOTAL NON-CURRENT LIABILITIES		6,694	4,275
TOTAL LIABILITIES		88,304	61,915
NET ASSETS		720,941	712,995
MEMBERS FUNDS			
Contributed Equity		532,859	532,859
Accumulated Profits (Losses)		188,082	180,136
TOTAL MEMBERS' FUNDS		720,941	712,995

The accompanying notes form part of these financial statements.

TRAFALGAR & DISTRICT FINANCIAL SERVICES LTD
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STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

	Note	Contributed Equity \$	Retained Earnings \$	Total Equity \$
Balance at 1 July 2011		532,859	133,912	666,771
Net profit/(loss) for the period		-	77,093	77,093
Dividends provided for or paid	2	-	(37,299)	(37,299)
Balance at 31 December 2011		532,859	173,706	706,565
Balance at 1 July 2012		532,859	180,136	712,995
Net profit/(loss) for the period		-	45,246	45,246
Dividends provided for or paid	2	-	(37,300)	(37,300)
Balance at 31 December 2012		532,859	188,082	720,941

The accompanying notes form part of these financial statements.

TRAFALGAR & DISTRICT FINANCIAL SERVICES LTD
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STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

	31/12/2012	31/12/2011
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	505,098	484,305
Payments to Suppliers and Employees	(394,776)	(354,097)
Interest Received	7,850	18,999
GST Paid	(18,606)	(15,791)
Income Taxes paid	(12,360)	(16,030)
NET CASH PROVIDED BY OPERATING ACTIVITIES	87,206	117,386
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property, Plant and Equipment	(1,287)	(27,068)
NET CASH USED IN INVESTING ACTIVITIES	(1,287)	(27,068)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends Paid	(37,300)	(37,299)
NET CASH USED IN FINANCING ACTIVITIES	(37,300)	(37,299)
Net Increase/(Decrease) in Cash Held	48,619	53,019
Cash and Cash Equivalents at beginning of year	563,806	544,560
CASH AND CASH EQUIVALENTS AT END OF YEAR	612,425	597,579

The accompanying notes form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

1. Summary of Significant Accounting Policies

Basis of Preparation

These general purpose interim financial statements for half-year reporting period ended 31 December 2012 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting. The Group 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 Trafalgar & District Financial Services Limited. 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 2012, together with any public announcements made during the following half-year.

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 statements, except in relation to the matters discussed below.

Critical Accounting Estimates & Judgements

The critical estimates and judgments are consistent with those applied and disclosed in the most recent annual financial statements

	31/12/2012	31/12/2011
	\$	\$
2. Dividends Paid		
Distributions paid/provided for:	37,300	37,299
Final fully franked ordinary dividend paid for the year ended 30 June 2012 of 7 (2011: 7) cents per share franked at the tax rate of 30% (2011: 30%)		

3. Contingent Liabilities

There has been no change in contingent liabilities since the last annual reporting period.

4. Events after the end of the Interim Period

The directors are not aware of any significant events since the end of the interim period

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DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Trafalgar & District Financial Services Limited, the directors of the company declare that:

1. The financial statements and notes, as set out on pages 3 to 7, 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 entity's financial position as at 31 December 2012 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.



Dianne Harrison
Director

Dated this 13 day of March 2013

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

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 2012. 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 2012 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: 7th March, 2013