

Tugun & District Finances Limited

Financial Statements

31 December 2013

Tugun & District Finances Limited
ABN 57 102 056 306
Directors' Report

Your directors submit the financial report of the company for the half-year ended 31 December 2013.

Directors

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

Wendy Patricia Handley

Allan Sydney Blenkins

Robert William Marshall

Colin Raymond Woodward

Valentine Elizabeth Meynink

Ross Johnston

Anthony John Brown

Michael Peter Havenaar

Lisa Kathleen Fitzgerald

Bede James Schubert

Principal Activities

The principal activity of the company during the financial period was facilitating **Community Bank®** 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 after the provision of income tax was: \$15,641 [2012: \$52,891].

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 at Tugun, Queensland on 24 March 2014.



Wendy Patricia Handley, Chairman

Lead auditor's independence declaration under section 307C of the *Corporations Act 2001* to the directors of Tugun & District Finances Limited.

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2013 there have been no contraventions of:

- the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review
- any applicable code of professional conduct in relation to the review.



David Hutchings
Andrew Frewin Stewart
61 Bull Street, Bendigo Vic 3550

Dated: 24 March 2014

Tugun & District Finances Limited
ABN 57 102 056 306
Statement of Comprehensive Income
for the half-year ended 31 December 2013

	2013	2012
	\$	\$
Revenue from ordinary activities	415,143	436,938
Employee benefits expense	(204,918)	(209,422)
Charitable donations, sponsorship, advertising and promotion	(57,480)	(30,394)
Occupancy and associated costs	(43,189)	(36,856)
Systems costs	(11,650)	(11,903)
Depreciation and amortisation expense	(14,183)	(13,424)
General administration expenses	(58,412)	(56,413)
	<hr/>	<hr/>
Profit before income tax expense	25,311	78,526
Income tax expense	(9,670)	(25,635)
	<hr/>	<hr/>
Profit after income tax expense	15,641	52,891
	<hr/>	<hr/>
Total comprehensive income for the year attributable to members	15,641	52,891
	<hr/> <hr/>	<hr/> <hr/>
Earnings per Share	c	c
Basic from profit for the period:	2.6	8.82

The accompanying notes form part of these financial statements.

Tugun & District Finances Limited
ABN 57 102 056 306
Balance Sheet
as at 31 December 2013

	31-Dec 2013 \$	30-Jun 2013 \$
ASSETS		
Current Assets		
Cash assets	218,863	231,796
Trade and other receivables	55,347	44,964
Total Current Assets	<u>274,210</u>	<u>276,760</u>
Non-Current Assets		
Property, plant and equipment	117,142	120,061
Intangible assets	57,729	64,651
Deferred tax asset	483	4,408
Total Non-Current Assets	<u>175,354</u>	<u>189,120</u>
Total Assets	<u>449,564</u>	<u>465,880</u>
LIABILITIES		
Current Liabilities		
Trade and other payables	23,868	8,171
Current tax liabilities	9,292	7,496
Provisions	5,944	8,970
Total Current Liabilities	<u>39,104</u>	<u>24,637</u>
Non-Current Liabilities		
Provisions	-	4,424
Total Non-Current Liabilities	<u>-</u>	<u>4,424</u>
Total Liabilities	<u>39,104</u>	<u>29,061</u>
Net Assets	<u>410,460</u>	<u>436,819</u>
Equity		
Issued capital	600,000	600,000
Accumulated losses	(189,540)	(163,181)
Total Equity	<u>410,460</u>	<u>436,819</u>

The accompanying notes form part of these financial statements.

Tugun & District Finances Limited
ABN 57 102 056 306
Statement of Changes in Equity
for the half-year ended 31 December 2013

	Issued Capital \$	Accumulated Losses \$	Total Equity \$
Balance at 1 July 2012	600,000	(162,239)	437,761
Total comprehensive income for the year	<u>-</u>	<u>41,058</u>	<u>41,058</u>
	600,000	(121,181)	478,819
Transactions with owners in their capacity as owners:			
Shares issued during period	-	-	-
Costs of issuing shares	-	-	-
Dividends provided for and paid	<u>-</u>	<u>(42,000)</u>	<u>(42,000)</u>
Balance at 31 December 2012	<u>600,000</u>	<u>(163,181)</u>	<u>436,819</u>
Balance at 1 July 2013	600,000	(163,181)	436,819
Total comprehensive income for the year	<u>-</u>	<u>15,641</u>	<u>15,641</u>
	600,000	(147,540)	452,460
Transactions with owners in their capacity as owners:			
Shares issued during period	-	-	-
Costs of issuing shares	-	-	-
Dividends provided for and paid	<u>-</u>	<u>(42,000)</u>	<u>(42,000)</u>
Balance at 31 December 2013	<u>600,000</u>	<u>(189,540)</u>	<u>410,460</u>

The accompanying notes form part of these financial statements.

Tugun & District Finances Limited
ABN 57 102 056 306
Cash Flow Statement
for the half-year ended 31 December 2013

	2013	2012
	\$	\$
Cash Flows From Operating Activities		
Receipts from customers	441,504	472,011
Payments to suppliers and employees	(408,483)	(380,353)
Interest received	4,337	1,555
Income taxes paid	(3,949)	(2,414)
Net cash provided by operating activities	<u>33,409</u>	<u>90,799</u>
Cash Flows From Investing Activities		
Payments for property, plant and equipment	(4,342)	-
Net cash used in investing activities	<u>(4,342)</u>	<u>-</u>
Cash Flows From Financing Activities		
Dividends paid	(42,000)	(42,000)
Net cash used in financing activities	<u>(42,000)</u>	<u>(42,000)</u>
Net increase/(decrease) in cash held	(12,933)	48,799
Cash at the beginning of the financial year	231,796	265,582
Cash at the end of the half-year	<u><u>218,863</u></u>	<u><u>296,339</u></u>

The accompanying notes form part of these financial statements.

Tugun & District Finances Limited
ABN 57 102 056 306
Notes to the financial statements
for the half-year ended 31 December 2013

Note 1. Summary of Significant Accounting Policies

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* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34: *Interim Financial Reporting*.

Basis of Preparation

The half-year financial report is intended to provide users with an update on the latest annual financial statements and 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 annual financial report for the year ended 30 June 2013 and any public announcements made by the company during the period.

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 and the previous corresponding interim period.

The half-year financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

New and amended Accounting Standards adopted by the company

The following Australian Accounting Standards and amendments to Australian Accounting Standards have become mandatory for adoption for the financial year commencing on 1 July 2013:

AASB 10 Consolidated Financial Statements, AASB 11 Joint Arrangements, AASB 12 Disclosure of Interests in Other Entities, AASB 128 Investments in Associates and Joint Ventures, AASB 127 Separate Financial Statements and AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards.

AASB 2012-10 Amendments to Australian Accounting Standards – Transition Guidance and other Amendments which provides an exemption from the requirement to disclose the impact of the change in accounting policy on the current period.

AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13.

AASB 119 Employee Benefits (September 2011) and AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011).

AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle.

AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities.

Tugun & District Finances Limited
ABN 57 102 056 306
Notes to the financial statements
for the half-year ended 31 December 2013

Note 1. Summary of Significant Accounting Policies (continued)

New and amended Accounting Standards adopted by the company (continued)

The adoption of the revised AASB 119 Employee Benefits resulted in a change to the entity's accounting for employees' annual leave obligations. As the entity does not expect all annual leave to be taken within 12 months of the end of the reporting period, the annual leave obligations are now classified as long-term employee benefits in their entirety. This changes the measurement of these obligations, as the entire obligation is now measured using the present value of the estimated future cash outflows to be made for those benefits. However, the impact of this change is considered immaterial since the majority of the annual leave is still expected to be taken within 12 months after the end of the reporting period.

None of the remaining new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2013 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 2013.

The company has not elected to apply any pronouncements before their mandatory operative date in the annual reporting period beginning 1 July 2013.

Note 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.

Note 3. Contingent Assets and Liabilities

The Board has been advised by Bendigo & Adelaide Bank, our Franchisor, that they are seeking to recover funds from Tugun & District Finances Limited from a loss that has been incurred as a result of a loan default. The Board is of the opinion that it is not appropriate to bring this amount to account as a provision, as the liability lies with Bendigo & Adelaide Bank as Franchisor.

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

Note 4. Segment Reporting

The economic entity operates in a single service sector where it facilitates community banking services in Tugun on the Gold Coast, Queensland pursuant to a franchise agreement with Bendigo and Adelaide Bank Limited.

Note 5. Dividends Paid/Provided	2013 Cents	2013 \$	2012 Cents	2012 \$
Dividend provided for and paid in the period as recommended in the annual report:	7	42,000	7	42,000

100% fully franked (2012: 100%)

The tax rate at which dividends have been franked is 30% (2012: 30%).

Tugun & District Finances Limited
ABN 57 102 056 306
Directors' Declaration

In the opinion of the directors of Tugun & District Finances 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 2013 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*.

This declaration is made in accordance with a resolution of the board of directors.



Wendy Patricia Handley, Chairman

Dated this 24th day of March 2014.

Independent auditor's review report to the members of Tugun & District Finances Limited

Report on the half-year financial report

We have reviewed the accompanying half-year financial report of Tugun & District Finances Limited, which comprises the balance sheet as at 31 December 2013, the statement of comprehensive income, statement of changes in equity and cash flow statement 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 (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 the 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 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 2013 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. As the auditor of Tugun & District Finances 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 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.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by directors or management.

Liability limited by a scheme approved under Professional Standards Legislation. ABN: 51 061 795 337.

Independence

In conducting our review we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

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 Tugun & District Finances Limited is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the company's financial position at 31 December 2013 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.



David Hutchings

Andrew Frewin Stewart

61 Bull Street Bendigo Vic 3550

Dated: 24 March 2014