
Tugun & District Finances Limited

ABN: 57 102 056 306

Financial Report
For the half-year ended
31 December 2020

Tugun & District Finances Limited

Directors' Report

Your directors submit the financial report of the company for the half-year ended 31 December 2020.

Directors

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

| | |
|---------------------------|--|
| Lisa Kathleen Fitz Gerald | Norbert Anthony Benton |
| Cameron Kenneth Window | Peter Anthony Dirkx |
| Robert William Marshall | Sean David Powell (<i>appointed 29 July 2020</i>) |
| Kelly Marie Sawden | Heidi Belinda Wallace (<i>appointed 27 January 2021</i>) |
| Colin Raymond Woodward | Christopher John Crawford (<i>resigned 24 November 2020</i>) |

Principal activity

The principal activity of the company during the financial period was facilitating Community Bank services under management rights of Bendigo and Adelaide Bank Limited.

Review 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:

| Half-year ended 31 December 2020 | Half-year ended 31 December 2019 |
|-------------------------------------|-------------------------------------|
| \$ 55,810 | \$ 40,227 |

Significant changes in the state of affairs

On 21 August the company acquired from the closed Bendigo Bank corporate branch at Elanora the rights in relation to the income stream from its loans, deposits and other revenue generating business. The purchase price was for \$350,000 (exc. GST) and has been paid by the company using cash.

In the opinion of the directors there were no other significant changes in the state of affairs of the company that occurred during the period under review not otherwise disclosed in this report or the financial statements.

Events after 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.

Auditor's 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.

Chair



Lisa Kathleen Fitz Gerald

Dated this 10th day of March 2021

Tugun & District Finances Limited
Auditors' Independence Declaration

TEMPLATE PAGE.

DO NOT USE IN FINAL
HALF YEAR REPORT.

Auditors' Independence Declaration

I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.

Adrian Downing
Auditor

Andrew Frewin Stewart
BENDIGO VIC 3550

Tugun & District Finances Limited
Statement of Profit or Loss and Other
Comprehensive Income

For the half-year ended 31 December 2020

| | 2020 \$ | 2019 \$ |
|---|---------------|---------------|
| Revenue from contracts with customers | 551,227 | 475,742 |
| Other revenue | 10,057 | 16,933 |
| Finance revenue | 1,874 | 4,866 |
| Employee benefits expense | (291,592) | (252,588) |
| Charitable donations, sponsorship, advertising and promotion | (53,000) | (42,202) |
| Occupancy and associated costs | (14,272) | (8,376) |
| Systems costs | (11,447) | (10,040) |
| Depreciation and amortisation expense | (48,541) | (45,546) |
| Finance costs | (11,962) | (13,002) |
| General administration expenses | (63,848) | (66,624) |
| Movement in market value of financial assets | 4,427 | 771 |
| Profit before income tax | 72,923 | 59,934 |
| Income tax expense | (17,113) | (19,707) |
| Profit after income tax | 55,810 | 40,227 |
| Total comprehensive income for the half-year attributable to the ordinary shareholders of the company: | 55,810 | 40,227 |
| Earnings per share | ¢ | ¢ |
| - Basic and diluted earnings per share: | 9.30 | 6.70 |

Tugun & District Finances Limited

Statement of Financial Position

For the half-year ended 31 December 2020

| | Note | 31-Dec-20 \$ | 30-Jun-20 \$ |
|--------------------------------------|------|------------------|------------------|
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | | 195,426 | 514,266 |
| Trade and other receivables | | 58,448 | 49,616 |
| Financial assets | 8 | 105,569 | 101,142 |
| Total current assets | | 359,443 | 665,024 |
| Non-current assets | | | |
| Property, plant and equipment | | 82,311 | 92,118 |
| Right of use assets | | 455,072 | 487,195 |
| Intangible assets | 7 | 378,648 | 35,260 |
| Total non-current assets | | 916,031 | 614,573 |
| TOTAL ASSETS | | 1,275,474 | 1,279,597 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Trade and other payables | | 42,389 | 37,281 |
| Current tax liabilities | | 9,930 | 7,197 |
| Lease liabilities | | 49,965 | 47,761 |
| Employee Benefits | | 9,117 | 9,205 |
| Total current liabilities | | 111,401 | 101,444 |
| Non-current liabilities | | | |
| Trade and other payables | | 15,109 | 15,109 |
| Lease liabilities | | 414,864 | 440,232 |
| Provisions | | 21,385 | 20,879 |
| Deferred tax liabilities | | 5,829 | 8,857 |
| Total non-current liabilities | | 457,187 | 485,077 |
| TOTAL LIABILITIES | | 568,588 | 586,521 |
| NET ASSETS | | 706,886 | 693,076 |
| EQUITY | | | |
| Issued capital | | 600,000 | 600,000 |
| Retained earnings | | 106,886 | 93,076 |
| TOTAL EQUITY | | 706,886 | 693,076 |

The accompanying notes form part of these financial statements

Tugun & District Finances Limited

Statement of Changes in Equity

For the half-year ended 31 December 2020

| | Note | Issued capital | Retained earnings | Total equity |
|---|------|-------------------|----------------------|-----------------|
| | | \$ | \$ | \$ |
| Balance at 1 July 2019 | | 600,000 | 58,132 | 658,132 |
| Total comprehensive income for the half-year | | - | 40,227 | 40,227 |
| Transactions with owners in their capacity as owners: | | | | |
| Dividends provided for or paid | 6 | - | (42,000) | (42,000) |
| Balance at 31 December 2019 | | 600,000 | 56,359 | 656,359 |
| Balance at 1 July 2020 | | 600,000 | 102,167 | 702,167 |
| Impact of restatement | 2 | - | (9,091) | (9,091) |
| Restated balance at 1 July 2020 | | 600,000 | 93,076 | 693,076 |
| Total comprehensive income for the half-year | | - | 55,810 | 55,810 |
| Transactions with owners in their capacity as owners: | | | | |
| Dividends provided for or paid | 6 | - | (42,000) | (42,000) |
| Balance at 31 December 2020 | | 600,000 | 106,886 | 706,886 |

The accompanying notes form part of these financial statements

Tugun & District Finances Limited

Statement of Cash Flows

For the half-year ended 31 December 2020

| | Note | 2020 \$ | 2019 \$ |
|---|------|------------------|-----------------|
| Cash flows from operating activities | | | |
| Receipts from customers | | 629,726 | 551,377 |
| Payments to suppliers and employees | | (501,513) | (437,853) |
| Lease payments (interest component) | | (11,457) | (12,521) |
| Lease payments not included in the measurement of lease liabilities | | (3,868) | (3,349) |
| Interest received | | 843 | 5,689 |
| Income taxes paid | | (17,407) | (1,928) |
| Net cash provided by operating activities | | 96,324 | 101,415 |
| Cash flows from investing activities | | | |
| Payments for intangible assets | 7 | (350,000) | - |
| Net cash used in investing activities | | (350,000) | - |
| Cash flows from financing activities | | | |
| Lease payments (principal component) | | (23,164) | (21,092) |
| Dividends paid | 6 | (42,000) | (42,000) |
| Net cash used in financing activities | | (65,164) | (63,092) |
| Net cash increase/(decrease) in cash held | | (318,840) | 38,323 |
| Cash and cash equivalents at the beginning of the financial year | | 514,266 | 437,315 |
| Cash and cash equivalents at the end of the half-year | | 195,426 | 475,638 |

The accompanying notes form part of these financial statements

Tugun & District Finances Limited

Notes to the Financial Statements

For the half-year ended 31 December 2020

Note 1. Summary of significant accounting policies

Statement of Compliance

This general purpose financial report has been 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

This 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 2020 and any public announcements made by the company during the period.

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 report 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.

Note 2. Correction of error

During the period it was identified an accrued sponsorship expense liability had not been recorded for the year ending 30 June 2020, resulting in prior period liabilities and expenses being understated. The comparative figures have been adjusted to correct this.

The following table summaries the impacts on the financial statements:

| | As previously reported | Adjustment | As restated |
|---|---------------------------|----------------|------------------|
| | \$ | \$ | \$ |
| 30 June 2020 | | | |
| Statement of Financial Position (extract) | | | |
| Liabilities | | | |
| Current Liabilities | | | |
| Trade and other payables | (28,190) | (9,091) | (37,281) |
| TOTAL LIABILITIES | (577,430) | (9,091) | (586,521) |
| NET ASSETS | 702,167 | (9,091) | 693,076 |
| TOTAL EQUITY | 702,167 | (9,091) | 693,076 |

Retained earnings has been adjusted by the accrued expense amount as at 30 June 2020 as shown in the statement of Changes in Equity.

Tugun & District Finances Limited

Notes to the Financial Statements

For the half-year ended 31 December 2020

Note 3. Events subsequent to reporting date

There have been no events subsequent to reporting date that would materially affect the financial statements at the reporting date.

Note 4. Contingent assets and liabilities

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

Note 5. Related parties

Arrangements with related parties continue to be in place. For details on these arrangements, refer to the 30 June 2020 annual financial report.

| Note 6. Dividends provided for or paid | 31-Dec-20 | | 31-Dec-19 | |
|---|-----------|--------|-----------|--------|
| | Cents | \$ | Cents | \$ |
| Dividends declared and paid during the period | | | | |
| Fully franked dividend | 7 | 42,000 | 7 | 42,000 |

The tax rate at which dividends have been franked is 26% (2019: 27.5%).

| Note 7. Intangibles | 31-Dec-20 | 30-Jun-20 |
|-------------------------------|----------------|---------------|
| Opening carrying amount: | 35,260 | 48,482 |
| Additions: Elanore Redomicile | 350,000 | - |
| Amortisation: | (6,612) | (13,222) |
| Closing carrying amount: | <u>378,648</u> | <u>35,260</u> |

On 21 August the company purchased a portion of the book from the closed Bendigo Bank corporate branch at Elanora, which includes the rights in relation to the income stream from its loans and deposits. The purchase price was for \$350,000 (exc. GST) and has been paid by the company using cash.

Tugun & District Finances Limited

Notes to the Financial Statements

For the half-year ended 31 December 2020

Note 8. Fair value measurement

Some of the company's assets and liabilities are measured at fair value for financial reporting purposes. The board of directors determine the appropriate valuation techniques and inputs for fair value measurements.

Fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly
- Level 3 inputs are unobservable inputs for the asset or liability.

In estimating the fair value of an asset or a liability, the company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the company engages third party qualified valuers to perform the valuation.

To provide an indication about the reliability of the inputs used in determining fair value, the applicable assets and liabilities have been classified into the three levels prescribed under the accounting standards, as outlined above.

| At 31 December 2020 | Level 1 \$ | Level 2 \$ | Level 3 \$ | Total \$ |
|---|----------------|---------------|---------------|----------------|
| Recurring fair value measurements: | | | | |
| Unlisted investments: | | | | |
| - equity securities | 105,569 | - | - | 105,569 |
| Total assets at fair value | 105,569 | - | - | 105,569 |
| | | | | |
| At 30 June 2020 | Level 1 \$ | Level 2 \$ | Level 3 \$ | Total \$ |
| Recurring fair value measurements: | | | | |
| Unlisted investments: | | | | |
| - equity securities | 101,142 | - | - | 101,142 |
| Total assets at fair value | 101,142 | - | - | 101,142 |

There were no transfers between Level 1 and Level 2 during the reporting period. The company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Tugun & District Finances Limited 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 2020 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.

This declaration is made in accordance with a resolution of the Board of Directors.

Chair



Lisa Kathleen Fitz Gerald

Dated this 10 day of March 2021.