

Tugun & District Finances Limited

ABN 57 102 056 306

Half-year Financial Report - 31 December 2022

Tugun & District Finances Limited
Directors' report
31 December 2022

The directors present their report, together with the financial statements, on the company for the half-year ended 31 December 2022.

Directors

The following persons were directors of the company during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Lisa Kathleen Fitz Gerald
Peter Anthony Dirkx
Cameron Kenneth Window
Robert William Marshall
Kelly Marie Sawden

Norbert Anthony Benton
Sean David Powell
Gabrielle White (resigned 9 November 2022)
Colin Raymond Woodward (resigned 4 December 2022)

Principal activity

The principal activity of the company during the financial half-year was facilitating Community Bank services under management rights of Bendigo and Adelaide Bank Limited (Bendigo Bank).

Review of operations

The profit for the company after providing for income tax amounted to \$359,854 (31 December 2021: \$31,360).

The company has seen a significant increase in its revenue during the period. This is a result of the Reserve Bank of Australia (RBA) increasing the cash rate by 2.25% during the period moving from 0.85% to 3.10% as at 31 December 2022. The increased cash rate has had a direct impact on the revenue received by the company, increasing the net interest margin income received under the revenue share arrangement.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the company during the financial half-year.

Matters subsequent to the end of the financial half-year

Since the end of the half-year, the RBA has increased the cash rate by 0.50% moving from 3.10% at 31 December 2022 to 3.60% as at the date of signing these accounts.

No other matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the *Corporations Act 2001*.

On behalf of the directors



Peter Anthony Dirkx
Chair

10 March 2023

Tugun & District Finances Limited
Auditor's independence declaration

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Tugun & District Finances Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2022

	Note	31-Dec-22 \$	31-Dec-21 \$
Revenue from contracts with customers	3	949,832	568,656
Other revenue		-	2,949
Finance revenue		2,787	1,097
Fair value gains/(losses) on financial assets		56	286
Total revenue		952,675	572,988
Employee benefits expense		(271,697)	(311,189)
Advertising and marketing costs		(8,726)	(11,270)
Occupancy and associated costs		(10,536)	(12,270)
Systems costs		(8,424)	(11,146)
Depreciation and amortisation expense		(65,310)	(63,492)
Finance costs		(9,573)	(10,821)
General administration expenses		(72,718)	(69,054)
Total expenses		(446,984)	(489,242)
Profit before community contributions and income tax expense		505,691	83,746
Charitable donations and sponsorships expense		(19,280)	(36,627)
Profit before income tax expense		486,411	47,119
Income tax expense		(126,557)	(15,759)
Profit after income tax expense for the half-year		359,854	31,360
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year		359,854	31,360
		Cents	Cents
Basic earnings per share		59.98	5.23
Diluted earnings per share		59.98	5.23

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Tugun & District Finances Limited
Statement of financial position
As at 31 December 2022

	Note	31-Dec-22 \$	30-Jun-22 \$
Assets			
Current assets			
Cash and cash equivalents		740,178	317,524
Trade and other receivables		163,807	80,949
Financial assets	5	55,859	75,804
Total current assets		<u>959,844</u>	<u>474,277</u>
Non-current assets			
Property, plant and equipment		75,491	86,158
Right-of-use assets		326,581	358,705
Intangibles		277,191	299,713
Total non-current assets		<u>679,263</u>	<u>744,576</u>
Total assets		<u>1,639,107</u>	<u>1,218,853</u>
Liabilities			
Current liabilities			
Trade and other payables		43,028	21,566
Lease liabilities		59,335	56,841
Current tax liabilities		121,950	10,872
Total current liabilities		<u>224,313</u>	<u>89,279</u>
Non-current liabilities			
Lease liabilities		300,756	330,959
Deferred tax liabilities		1,695	4,681
Provisions		23,530	22,975
Total non-current liabilities		<u>325,981</u>	<u>358,615</u>
Total liabilities		<u>550,294</u>	<u>447,894</u>
Net assets		<u>1,088,813</u>	<u>770,959</u>
Equity			
Issued capital		600,000	600,000
Retained earnings		488,813	170,959
Total equity		<u>1,088,813</u>	<u>770,959</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Tugun & District Finances Limited
Statement of changes in equity
For the half-year ended 31 December 2022

	Note	Issued capital \$	Retained earnings \$	Total equity \$
Balance at 1 July 2021		600,000	116,129	716,129
Profit after income tax expense		-	31,360	31,360
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	31,360	31,360
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for	4	-	(42,000)	(42,000)
Balance at 31 December 2021		<u>600,000</u>	<u>105,489</u>	<u>705,489</u>
 Balance at 1 July 2022		 600,000	 170,959	 770,959
Profit after income tax expense		-	359,854	359,854
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	359,854	359,854
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for	4	-	(42,000)	(42,000)
Balance at 31 December 2022		<u>600,000</u>	<u>488,813</u>	<u>1,088,813</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Tugun & District Finances Limited
Statement of cash flows
For the half-year ended 31 December 2022

	Note	31-Dec-22 \$	31-Dec-21 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		957,795	626,106
Payments to suppliers and employees (inclusive of GST)		(461,005)	(525,268)
Interest received		2,787	45
Income taxes paid		(18,465)	(6,525)
Net cash from operating activities		<u>481,112</u>	<u>94,358</u>
Cash flows from investing activities			
Payments for property, plant and equipment		-	(18,136)
Proceeds from disposal of investments		<u>20,268</u>	<u>-</u>
Net cash from/(used in) investing activities		<u>20,268</u>	<u>(18,136)</u>
Cash flows from financing activities			
Dividends paid	4	(42,000)	(42,000)
Repayment of lease liabilities		<u>(36,726)</u>	<u>(35,660)</u>
Net cash used in financing activities		<u>(78,726)</u>	<u>(77,660)</u>
Net increase/(decrease) in cash and cash equivalents		422,654	(1,438)
Cash and cash equivalents at the beginning of the financial half-year		<u>317,524</u>	<u>278,234</u>
Cash and cash equivalents at the end of the financial half-year		<u><u>740,178</u></u>	<u><u>276,796</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Tugun & District Finances Limited
Notes to the financial statements
31 December 2022

Note 1. Significant accounting policies

Statement of compliance

These general purpose financial statements for the interim half-year reporting period ended 31 December 2022 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

Accounting policies

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

Note 2. Basis of preparation

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The financial statements comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB). The financial statements have been prepared on an accrual and historical cost basis.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2022 and any public announcements made by the company during the period.

Note 3. Revenue from contracts with customers

	31-Dec-22 \$	31-Dec-21 \$
Margin income	859,910	487,746
Fee income	38,025	36,326
Commission income	51,897	44,584
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Revenue from contracts with customers	<u>949,832</u>	<u>568,656</u>

Disaggregation of revenue

All revenue from contracts with customers has been recognised at a point in time during the half-year.

Note 4. Dividends

The following dividends were provided for and paid to shareholders during the financial half-year as presented in the Statement of changes in equity and Statement of cash flows.

	31-Dec-22 \$	31-Dec-21 \$
Fully franked dividend of 7 cents per share (31-Dec-21: 7 cents)	<u>42,000</u>	<u>42,000</u>

The tax rate at which dividends have been franked is 25%.

Note 5. 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.

Tugun & District Finances Limited
Notes to the financial statements
31 December 2022

Note 5. Fair value measurement (continued)

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: Quoted market price at the close of business at the end of the reporting period.

Level 2: Inputs are based on a valuation performed by a third party qualified valuer using quoted prices for similar assets in an active market.

Level 3: Unobservable inputs for the asset or liability

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
31-Dec-22				
<i>Assets</i>				
Equity securities	55,859	-	-	55,859
Total assets	55,859	-	-	55,859
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
30-Jun-22				
<i>Assets</i>				
Equity securities	75,804	-	-	75,804
Total assets	75,804	-	-	75,804

There were no transfers between levels during the financial half-year.

Note 6. Contingent assets and liabilities

There were no contingent assets or liabilities at the date of this report that would materially affect the financial statements at the reporting date.

Note 7. Related party transactions

There were no transactions with related parties during the current and previous financial half-year.

Note 8. Events after the reporting date

Since the end of the half-year, the RBA has increased the cash rate by 0.50% moving from 3.10% at 31 December 2022 to 3.60% as at the date of signing these accounts.

No other matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

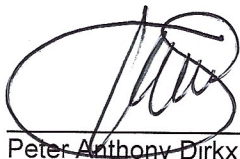
Tugun & District Finances Limited
Directors' declaration
31 December 2022

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 31 December 2022 and of its performance for the financial half-year ended on that date; and
- 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 directors made pursuant to section 303(5)(a) of the *Corporations Act 2001*.

On behalf of the directors

A handwritten signature in black ink, appearing to read 'Peter', is written over a horizontal line.

Peter Anthony Dirkx
Chair

10 March 2023

Tugun & District Finances Limited

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

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Tugun & District Finances Limited

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

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