

Inverloch & District Financial Enterprises Limited

ABN: 13 117 672 590

Financial Statements

For the half-year ended

31 December 2017

Inverloch & District Financial Enterprises Limited

Directors' Report

Your directors submit the financial report of the company for the half-year ended 31 December 2017.

Directors

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

Alan Keith Gostelow
Tristan Andrew Creed
Maxwell Alexander Warlow
Domenic Anthony Brusamarello
Susan Joy Ruffin
Trevor Andrew Dando
Alisha Dee Gilliland

Principal activities

The principal activities of the company during the financial year were facilitating Community Bank® services under management rights to operate a franchised branch 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 2017	Half-year ended 31 December 2016
\$ 15,930	\$ 28,332

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 Inverloch, Victoria on 7 March 2018.

Chairman


Alan Keith Gostelow

Lead auditor's independence declaration under section 307C of the *Corporations Act 2001* to the directors of Inverloch & District Financial Enterprises Limited

We declare that, to the best of our knowledge and belief, for the half-year ended 31 December 2017 there have been no contraventions of:

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



Andrew Frewin Stewart
61 Bull Street, Bendigo Vic 3550
Dated: 7 March 2018



David Hutchings
Lead Auditor

Inverloch & District Financial Enterprises Limited

Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2017

	2017 \$	2016 \$
Revenue from ordinary activities	343,696	339,296
Employee benefits expense	(181,390)	(166,347)
Charitable donations, sponsorship, advertising and promotion	(14,726)	(17,100)
Occupancy and associated costs	(34,203)	(34,017)
Systems costs	(9,294)	(9,610)
Depreciation and amortisation expense	(9,861)	(10,811)
Finance costs	-	(763)
General administration expenses	(72,250)	(61,748)
Profit before income tax	21,972	38,900
Income tax expense	(6,042)	(10,568)
Profit after income tax	15,930	28,332
Total comprehensive income for the half-year attributable to the ordinary shareholders of the company:	15,930	28,332
Earnings per Share	¢	¢
Basic earnings per share:	2.12	3.78

Inverloch & District Financial Enterprises Limited

Balance Sheet

As at 31 December 2017

	31-Dec-2017	30-Jun-2017
	\$	\$
ASSETS		
Current assets		
Cash and cash equivalents	564,697	598,744
Trade and other receivables	27,020	34,919
Current tax asset	5,712	-
Total current assets	597,429	633,663
Non-current assets		
Property, plant and equipment	61,650	64,718
Intangible assets	79,357	86,150
Total non-current assets	141,007	150,868
TOTAL ASSETS	738,436	784,531
LIABILITIES		
Current liabilities		
Trade and other payables	19,224	30,989
Current tax liabilities	-	2,596
Total current liabilities	19,224	33,585
Non-current liabilities		
Deferred tax liabilities	6,438	5,351
Total non-current liabilities	6,438	5,351
TOTAL LIABILITIES	25,662	38,936
NET ASSETS	712,774	745,595
EQUITY		
Issued capital	729,547	729,547
Retained earnings/(Accumulated losses)	(16,773)	16,048
TOTAL EQUITY	712,774	745,595

Inverloch & District Financial Enterprises Limited

Statement of Changes in Equity

For the half-year ended 31 December 2017

	Note	Issued Capital \$	Accumulated Losses \$	Total Equity \$
Balance at 1 July 2016		729,547	(7,960)	721,587
Total comprehensive income for the half-year		-	28,332	28,332
Transactions with owners in their capacity as owners:				
Shares issued during period		-	-	-
Costs of issuing shares		-	-	-
Dividends provided for or paid	6	-	(26,250)	(26,250)
Balance at 31 December 2016		729,547	(5,878)	723,669
Balance at 1 July 2017		729,547	16,048	745,595
Total comprehensive income for the half-year		-	15,930	15,930
Transactions with owners in their capacity as owners:				
Shares issued during period		-	-	-
Costs of issuing shares		-	-	-
Dividends provided for or paid	6	-	(48,751)	(48,751)
Balance at 31 December 2017		729,547	(16,773)	712,774

Inverloch & District Financial Enterprises Limited

Statement of Cash Flows

For the half-year ended 31 December 2017

	Note	2017 \$	2016 \$
Cash flows from operating activities			
Receipts from customers		380,332	352,187
Payments to suppliers and employees		(358,266)	(320,668)
Interest paid		-	(763)
Interest received		5,891	7,923
Income taxes paid		(13,263)	4,919
Net cash provided by operating activities		14,694	43,598
Cash flows from investing activities			
Purchase of property, plant and equipment		-	(2,780)
Net cash provided by/(used in) investing activities		-	(2,780)
Cash flows from financing activities			
Repayment of borrowings		-	(2,171)
Dividends paid	6	(48,751)	(26,250)
Net cash used in financing activities		(48,751)	(28,421)
Net increase/(decrease) in cash held		(34,057)	12,397
Cash and cash equivalents at the beginning of the financial year		598,754	548,526
Cash and cash equivalents at the end of the half-year		564,697	560,923

Inverloch & District Financial Enterprises Limited

Notes to the Financial Statements

For the half-year ended 31 December 2017

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 2017 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.

There are no new and revised Accounting Standards or amendments thereof or 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 2017.

Note 2. 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 3. Contingent assets and liabilities

There were no 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 Inverloch Victoria pursuant to a franchise agreement with Bendigo and Adelaide Bank Limited.

Note 5. Related parties

Arrangements with related parties continue to be in place. For details on these arrangements, refer to the 30 June 2017 annual financial report.

Note 6. Dividends paid/provided	2017		2016	
	Cents	\$	Cents	\$
Dividend declared and paid during the period:	6.50	48,751	3.50	26,250
100% fully franked (2016: 100%)				

The tax rate at which dividends have been franked is 27.5% (2016: 27.5%).

Inverloch & District Financial Enterprises Limited

Directors' Declaration

In the opinion of the directors of Inverloch & District Financial Enterprises 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 2017 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.

Chairman



Alan Keith Gostelow

Dated this 7th day of March 2018.

Independent auditor's review report to the members of Inverloch & District Financial Enterprises Limited

Report on the half-year financial report

We have reviewed the accompanying half-year financial report of Inverloch & District Financial Enterprises Limited, which comprises the balance sheet as at 31 December 2017, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows 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 controls 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 2017 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 Inverloch & District Financial Enterprises 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.

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 Inverloch & District Financial Enterprises 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 2017 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.



Andrew Frewin Stewart
61 Bull Street, Bendigo Vic 3550
Dated: 7 March 2018



David Hutchings
Lead Auditor

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