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Huon Valley  
Financial Services Limited

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ABN: 34 101 469 854

Financial Statements

For the half-year ended

31 December 2017

# Huon Valley Financial Services 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:

Michael Anthony Lynch  
Janet Ann Storan  
Brent Andrew Hardy  
Jillian Kay Griggs  
John Patrick Synnott  
David Allen Brereton  
Christine Elizabeth Walker  
Simon Peter Burgess (*Resigned 19 September 2017*)  
Laura Kate Shield (*Resigned 20 August 2017*)

### Principal activities

The principal activities of the company during the financial period were facilitating **Community Bank<sup>®</sup>** services under franchised agreements with Bendigo and Adelaide Bank Limited.

### Review of operations

Operations have continued to perform in line with expectations. The net profit/(loss) 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
\$ 151,936	\$ (24,581)

### Events after the end of the reporting period

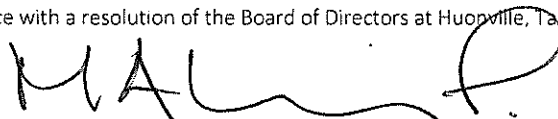
There are no matters or circumstances that have arisen since the end of the half-year reporting period that have significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company.

### 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.

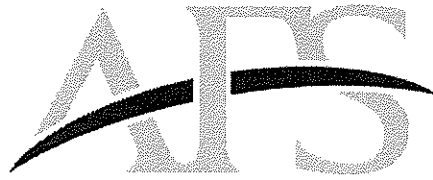
Signed in accordance with a resolution of the Board of Directors at Huonville, Tasmania on 2 March 2018.

Chairman



Michael Anthony Lynch

Huon Valley Financial Services Limited  
Auditors' Independence Declaration



***Partners in success***

**Chartered Accountants**

## TEMPLATE PAGE.

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.

**DO NOT USE IN FINAL  
HALF YEAR REPORT.**

**INSERT SIGN AND  
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David Hutchings  
Auditor

Andrew Frewin Stewart  
BENDIGO VIC 3550

Huon Valley Financial Services Limited  
Statement of Profit or Loss and Other  
Comprehensive Income

For the half-year ended 31 December 2017

	2017 \$	2016 \$
Revenue from ordinary activities	1,293,930	1,126,364
Employee benefits expense	(710,190)	(661,215)
Charitable donations, sponsorship, advertising and promotion	(61,006)	(77,218)
Occupancy and associated costs	(91,073)	(87,427)
Systems costs	(50,950)	(58,068)
Depreciation and amortisation expense	(38,937)	(44,736)
Finance costs	(127)	(515)
General administration expenses	(131,403)	(160,190)
Flood damage costs	-	(69,505)
<b>Profit/(loss) before income tax</b>	<b>210,244</b>	<b>(32,510)</b>
Income tax (expense)/credit	(58,308)	7,929
<b>Profit/(loss) after income tax</b>	<b>151,936</b>	<b>(24,581)</b>
<b>Total comprehensive income for the half-year attributable to the ordinary shareholders of the company:</b>	<b>151,936</b>	<b>(24,581)</b>
<b>Earnings per Share</b>	<b>c</b>	<b>c</b>
Basic earnings/(loss) per share:	7.94	(1.28)

The accompanying notes form part of these financial statements

# Huon Valley Financial Services Limited

## Balance Sheet

As at 31 December 2017

	31-Dec-2017	30-Jun-2017
	\$	\$
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	585,920	382,418
Trade and other receivables	249,534	226,479
<b>Total current assets</b>	<b>835,454</b>	<b>608,897</b>
<b>Non-current assets</b>		
Property, plant and equipment	405,127	422,640
Financial assets	2,000	2,000
Intangible assets	61,181	81,728
Deferred tax assets	50,180	51,988
<b>Total non-current assets</b>	<b>518,488</b>	<b>558,356</b>
<b>TOTAL ASSETS</b>	<b>1,353,942</b>	<b>1,167,253</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables	142,482	131,227
Current tax liabilities	64,686	8,186
Borrowings	3,677	3,481
Provisions	179,266	161,603
<b>Total current liabilities</b>	<b>390,111</b>	<b>304,497</b>
<b>Non-current liabilities</b>		
Provisions	28,555	21,996
<b>Total non-current liabilities</b>	<b>28,555</b>	<b>21,996</b>
<b>TOTAL LIABILITIES</b>	<b>418,666</b>	<b>326,493</b>
<b>NET ASSETS</b>	<b>935,276</b>	<b>840,760</b>
<b>EQUITY</b>		
Issued capital	1,166,334	1,166,334
Accumulated losses	(231,058)	(325,574)
<b>TOTAL EQUITY</b>	<b>935,276</b>	<b>840,760</b>

The accompanying notes form part of these financial statements

# Huon Valley Financial Services Limited

## Statement of Changes in Equity

For the half-year ended 31 December 2017

	Note	Issued Capital \$	Accumulated Losses \$	Total Equity \$
<b>Balance at 1 July 2016</b>		1,166,334	(328,540)	837,794
Total comprehensive income for the half-year		-	(24,581)	(24,581)
<b>Transactions with owners in their capacity as owners:</b>				
Shares issued during period		-	-	-
Costs of issuing shares		-	-	-
Dividends provided for or paid	6	-	(38,280)	(38,280)
<b>Balance at 31 December 2016</b>		<b>1,166,334</b>	<b>(391,401)</b>	<b>774,933</b>
<b>Balance at 1 July 2017</b>		1,166,334	(325,574)	840,760
Total comprehensive income for the half-year		-	151,936	151,936
<b>Transactions with owners in their capacity as owners:</b>				
Shares issued during period		-	-	-
Costs of issuing shares		-	-	-
Dividends provided for or paid	6	-	(57,420)	(57,420)
<b>Balance at 31 December 2017</b>		<b>1,166,334</b>	<b>(231,058)</b>	<b>935,276</b>

The accompanying notes form part of these financial statements

# Huon Valley Financial Services Limited

## Statement of Cash Flows

For the half-year ended 31 December 2017

	Note	2017 \$	2016 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		1,393,607	1,245,283
Payments to suppliers and employees		(1,133,915)	(1,127,771)
Interest paid		(127)	(515)
Interest received		2,038	1,079
<b>Net cash provided by operating activities</b>		<b>261,603</b>	<b>118,076</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(877)	(10,783)
Repayment of loans from other parties		-	25,000
<b>Net cash provided by/(used in) investing activities</b>		<b>(877)</b>	<b>14,217</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		196	-
Repayment of borrowings		-	(3,492)
Dividends paid	6	(57,420)	(38,280)
<b>Net cash used in financing activities</b>		<b>(57,224)</b>	<b>(41,772)</b>
<b>Net increase in cash held</b>		<b>203,502</b>	<b>90,521</b>
Cash and cash equivalents at the beginning of the financial year		382,418	235,031
<b>Cash and cash equivalents at the end of the half-year</b>		<b>585,920</b>	<b>325,552</b>

The accompanying notes form part of these financial statements

# Huon Valley Financial Services Limited

## Notes to the Financial Statements

For the half-year ended 31 December 2017

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### Note 1. Summary of significant accounting policies

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#### 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.

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### Note 2. Events subsequent to reporting date

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

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### Note 3. Contingent assets and liabilities

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

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### Note 4. Segment reporting

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The economic entity operates in a single service sector where it facilitates community banking services in Geeveston, Dover, Huonville and Cygnet, Tasmania pursuant to a franchise agreements with Bendigo and Adelaide Bank Limited.

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### Note 5. Related parties

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

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Note 6. Dividends paid/provided	2017		2016	
	Cents	\$	Cents	\$
Dividend declared and paid during the period:	3.00	57,420	2.00	38,280
100% fully franked (2016: 100%)				

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



# Huon Valley Financial Services Limited

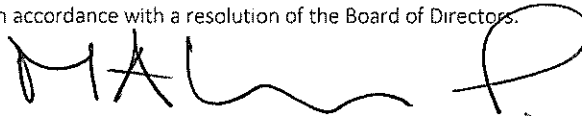
## Directors' Declaration

In the opinion of the directors of Huon Valley Financial Services 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



Michael Anthony Lynch

Dated this

2nd

day of

March

2018.