

**Mareeba & Dimbulah Financial Services Limited**

**ABN 53 115 503 930**

Financial Statements

For the year ended 30 June 2019

**Mareeba & Dimbulah Financial Services Limited**  
**ABN 53 115 503 930**

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**Mareeba & Dimbulah Financial Services Limited**  
**ABN 53 115 503 930**  
**Directors' Report**

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Your directors present this report on the company for the financial year ended 30 June 2019.

## Directors

The names of the directors in office at any time during or since the end of the year are:

Name:	Gilbert James Teitzel
Position:	Chairman
Qualifications:	Certified Practising Accountant
Special Responsibilities:	Governance & Business Development Committee, Human Resources Committee, Audit/Finance Committee and Strategic Planning Committee
Name:	Gianfranco De Iacovo
Position:	Vice Chairman
Qualifications:	Business Owner
Special Responsibilities:	Marketing & Sponsorship Committee and Strategic Planning Committee
Name:	Charles Edward Khan
Position:	Secretary [ceased: 18/12/2018]
Qualifications:	Ambulance Officer
Special Responsibilities:	Marketing & Sponsorship Committee and Strategic Planning Committee
Name:	Rhonda Annette Stevens [appt: 21/11/2018]
Position:	Secretary [appt: 18/12/2018]
Qualifications:	Administration & Marketing
Special Responsibilities:	Governance & Business Development Committee, Governance Committee, Audit/Finance Committee, Strategic Planning Committee and Public Relations
Name:	Michael Peter Hoskin
Position:	Treasurer
Qualifications:	Certified Practising Accountant
Special Responsibilities:	Chair of Audit/Finance Committee and Strategic Planning Committee
Name:	Natasha Srhoj
Position:	Director
Qualifications:	Accounts Manager - The Express
Special Responsibilities:	Marketing & Sponsorship Committee and Strategic Planning Committee
Name:	Graeme Eric Ford
Position:	Director
Qualifications:	Automotive Dealer
Special Responsibilities:	Chair of Governance & Business Development Committee, Chair of Human Resources Committee, Audit/Finance Committee and Strategic Planning Committee
Name:	Amy Kathryn Phillips [ceased 03/09/2018]
Position:	Director
Qualifications:	Senior Community Wellbeing Officer
Special Responsibilities:	Audit/Finance Committee and Strategic Planning Committee

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

No directors have material interests in contracts or proposed contracts with the company, except for Gilbert Teitzel, whose firm provides accounting services to the company (refer note 16).

**Mareeba & Dimbulah Financial Services Limited**  
**ABN 53 115 503 930**  
**Directors' Report**

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## Principal Activities

The principal activities of the company during the course of the year were providing Community banking services under management rights to operate a franchised branch of Bendigo Bank Limited in Mareeba and Dimbulah. No significant change in the nature of these activities occurred during the year.

## Review of Operations and Financial Results

Operations have continued to perform in line with expectations. The profit of the company for the financial year after providing for income tax amounted to:

Year ended	Year ended
30 June 2019	30 June 2018
\$	\$
113,241.17	103,371.93

## Significant Changes in the State of Affairs

In the opinion of the directors no significant changes in the company's state of affairs occurred during the financial year.

## Dividends

The fully franked dividend of \$72,827.05 (\$0.0725 per share) with a 27.5% franking credit, referred to in the previous directors' report dated 31 December 2018 was paid on 17 December 2018.

## Events Subsequent to the End of the Reporting Period

There are no matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect either:

- the operations of the company,
- the results of those operations; or
- the state of affairs of the company in subsequent financial years

## Likely Developments

The company expects to maintain the present status and level of operations and hence continue its policy of facilitating banking services to the community.

## Environmental Legislation

The company's operations are not subject to any particular or significant environmental regulation under a law of the Commonwealth or of a State or Territory in Australia.

## Indemnifying Officer or Auditor

The company has indemnified all directors and the manager in respect of liabilities to other persons (other than the company or related body corporate) that may arise from their position as directors or manager of the company, except where the liability arises out of conduct involving the lack of good faith.

## Mareeba & Dimbulah Financial Services Limited

**ABN 53 115 503 930**

### Directors' Report

Disclosure of the nature of the liability and the amount of the premium is prohibited by the confidentiality clause of the contract of insurance. The company has not provided any insurance for an auditor of the company or related body corporate.

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 has been included on page 7 of this Financial Report and forms part of the Directors Reprt.

### Directors' Remuneration/Meeting Attendance Fees

As disclosed in the Directors' Report dated 6 March 2019, Mareeba & Dimbulah Financial Services Limited have accepted the Director Remuneration/Meeting Attendance Fees Policy carried by shareholders as a motion at the Annual General Meeting held 20 November 2018.

The directors received total remuneration/meeting attendance fees, as follows:

	2019	2018
Meeting Attendance Fees	650.00	-
<b>Total</b>	<b>650.00</b>	

The policy applies from 1 December 2018 to each director who is an independent director of the company who can elect to avail themselves of the benefit based on their meeting attendance. These payments are made twice yearly, in arrears, in June and December each year. Any amount paid to directors is dependent on the company meeting criteria based on the company's surplus capital, dividends paid to shareholders and contributions to community projects. The half-year ended 30 June 2019 was the first period that directors have elected to avail themselves of the benefit of this policy.

### Directors' Meetings

During the year ten (10) directors' meetings were held. Attendances by each director during the year were:

Name of Director	Number Eligible to Attend	Number Attended
Gilbert James Teitzel	10	9
Gianfranco De Iacovo	10	8
Charles Edward Khan	10	6
Rhonda Annette Stevens	5	5
Michael Peter Hoskin	10	10
Natasha Srhoj	10	7
Graeme Eric Ford	10	8
Amy Kathryn Phillips	2	1

### Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

**Mareeba & Dimbulah Financial Services Limited**  
**ABN 53 115 503 930**  
**Directors' Report**

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**Auditors Independence Declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 has been included.

Signed in accordance with a resolution of the Board of Directors:



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Graeme E Ford  
Director



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Michael P Hoskin  
Director

Dated: 25/09/2019

**Mareeba & Dimbulah Financial Services Limited**

**ABN 53 115 503 930**

**Auditor's Independence Declaration**

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**UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF MAREEBA & DIMBULAH FINANCIAL SERVICES LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2019 there have been no contraventions of:

- (i) the auditor independence requirements as set out in the Corporations Act 2001 in relation to the Audit; and
- (ii) any applicable code of professional conduct in relation to the audit



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Megan O'Neill FCPA  
Cairns Quality Accounting  
Registered Company Auditor #419579  
23/25-29 Grafton Street, Cairns QLD 4870

Dated: 26 September 2019

**Mareeba & Dimbulah Financial Services Limited**  
**ABN 53 115 503 930**  
**Statement of Profit or Loss and Comprehensive Income**  
**For the year ended 30 June 2019**

	Note	2019 \$	2018 \$
Revenue from ordinary activities	<u>4</u>	<u>1,861,417.84</u>	<u>1,791,342.34</u>
Gross profit		1,861,417.84	1,791,342.34
Administration and general costs		(132,636.29)	(129,874.61)
Employment secondment expenses		(968,036.75)	(882,365.30)
ATM expenses		(20,995.08)	(17,660.85)
Depreciation & amortisation expenses		(60,790.32)	(61,743.32)
IT leasing and running costs		(46,936.59)	(42,384.87)
Occupancy costs		(122,082.50)	(118,138.48)
Marketing Development Fund expenses		(53,390.77)	(68,714.11)
Grants and donations		<u>(300,000.00)</u>	<u>(330,000.00)</u>
Profit before income tax		156,549.54	140,460.80
Income tax attributable to operation profit (loss)	<u>5</u>	<u>43,308.37</u>	<u>37,088.88</u>
Operating profit after income tax		<u>113,241.17</u>	<u>103,371.93</u>
Total comprehensive income for the year		<u>113,241.17</u>	<u>103,371.93</u>
Earnings per share (cents per share)		<u>c</u>	<u>c</u>
- basic profit for the year		<u>11.27</u>	<u>10.29</u>

The accompanying notes form part of these financial statements.



**Mareeba & Dimbulah Financial Services Limited**  
**ABN 53 115 503 930**  
**Statement of Financial Position as at 30 June 2019**

	Note	2019 \$	2018 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	<u>7</u>	976,338.31	863,034.61
Trade and other receivables	<u>8</u>	173,204.38	164,060.26
Current tax assets	<u>9</u>	9,443.07	
Other assets	<u>10</u>	5,066.60	6,002.27
Total Current Assets		<u>1,164,052.36</u>	<u>1,033,097.14</u>
<b>Non-Current Assets</b>			
Property, plant and equipment	<u>11</u>	143,639.30	175,497.30
Intangible assets	<u>12</u>	230,668.78	257,781.10
Total Non-Current Assets		<u>374,308.08</u>	<u>433,278.40</u>
Total Assets		<u>1,538,360.44</u>	<u>1,466,375.54</u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	<u>13</u>	156,752.12	107,899.96
Current tax liabilities	<u>9</u>		17,036.38
Total Current Liabilities		<u>156,752.12</u>	<u>124,936.34</u>
Total Liabilities		<u>156,752.12</u>	<u>124,936.34</u>
Net Assets		<u>1,381,608.32</u>	<u>1,341,439.20</u>
<b>Equity</b>			
Contributed equity	<u>14</u>	1,004,511.00	1,004,511.00
Retained profits		<u>377,097.32</u>	<u>336,928.20</u>
Total Equity		<u>1,381,608.32</u>	<u>1,341,439.20</u>

The accompanying notes form part of these financial statements.

## Mareeba &amp; Dimbulah Financial Services Limited

ABN 53 115 503 930

## Statement of Changes in Equity for the year ended 30 June 2019

	Notes	Retained Earnings	Issued & Paid Up Capital	Total
<b>Balance at 1 July 2017</b>		307,314.33	1,004,511.00	1,311,825.33
Shares issued during year				
Profit attributable to the members		103,371.92		103,371.92
<b>Subtotal</b>		410,686.25	1,004,511.00	1,415,197.25
Dividends paid or provided for		(73,758.05)		(73,758.05)
<b>Balance at 30 June 2018</b>		336,928.20	1,004,511.00	1,341,439.20
<b>Balance at 1 July 2018</b>		336,928.20	1,004,511.00	1,341,439.20
Shares issued during year				
Profit attributable to the members		113,241.17		113,241.17
<b>Subtotal</b>		450,169.37	1,004,511.00	1,454,680.37
Dividends paid or provided for	6	(73,072.05)		(73,072.05)
<b>Balance at 30 June 2019</b>		377,097.32	1,004,511.00	1,381,608.32

The accompanying notes form part of these financial statements.

**Mareeba & Dimbulah Financial Services Limited**  
**ABN 53 115 503 930**  
**Statement of Cash Flows**  
**For the year ended 30 June 2019**

	2019 \$	2018 \$
<b>Cash Flow From Operating Activities</b>		
Receipts from customers	1,834,200.35	1,775,803.22
Payments to Suppliers and employees	(1,628,075.32)	(1,568,795.17)
Interest received	18,073.37	13,857.77
Income tax paid	(39,592.77)	(62,046.40)
Net cash provided by (used in) operating activities (note B)	<u>184,605.63</u>	<u>158,819.42</u>
<b>Cash Flow From Investing Activities</b>		
<b>Payment for:</b>		
Payments for property, plant and equipment	(1,820.00)	(8,981.55)
Loans from other groups or entities	(500.00)	
<b>Proceeds from disposal of:</b>		
Loans to other groups or entities		11,250.00
Net cash provided by (used in) financing activities	<u>(2,320.00)</u>	<u>2,268.45</u>
<b>Cash Flow From Financing Activities</b>		
Dividends paid	(73,072.05)	(73,758.05)
Proceeds of borrowings	182.37	
Dividends payable	3,907.75	
Net cash provided by (used in) financing activities	<u>(68,981.93)</u>	<u>(73,758.05)</u>
Net increase (decrease) in cash held	113,303.70	87,329.82
Cash at the beginning of the year	<u>863,034.61</u>	<u>775,704.79</u>
Cash at the end of the year (note 1)	<u><u>976,338.31</u></u>	<u><u>863,034.61</u></u>

The accompanying notes form part of these financial statements.

**Mareeba & Dimbulah Financial Services Limited**  
**ABN 53 115 503 930**  
**Statement of Cash Flows**  
**For the year ended 30 June 2019**

2019

2018

### Note A. Reconciliation Of Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.

Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

Bendigo General Cheque Account	43,305.44	30,960.67
Bendigo Market Development Fund Account	108,426.24	106,098.09
Bendigo Business Solutions Account	4,322.31	639.56
Bendigo Business Cash Mgmt Account	284.32	336.29
Term Deposit	820,000.00	725,000.00
	<u>976,338.31</u>	<u>863,034.61</u>

### Note B. Reconciliation Of Net Cash Provided By/Used In Operating Activities To Net Profit

Operating profit (loss) after tax	113,241.17	103,371.92
Depreciation	33,678.00	34,631.00
Amortisation	27,112.32	27,112.32
Increase/(decrease) in provision for income tax	3,458.35	(23,419.63)
Increase/(decrease) in future income tax benefit	257.25	(1,537.89)
Changes in assets and liabilities net of effects of purchases and disposals of controlled entities:		
(Increase) decrease in trade and term debtors	(9,144.12)	(1,681.35)
(Increase) decrease in prepayments	935.67	(993.87)
Increase (decrease) in trade creditors and accruals	45,262.04	4,586.28
Increase (decrease) in employee entitlements	389.35	
Increase (decrease) in sundry provisions	(30,584.40)	16,750.64
Net cash provided by operating activities	<u>184,605.63</u>	<u>158,819.42</u>

**Mareeba & Dimbulah Financial Services Limited**

**ABN 53 115 503 930**

**Notes to the Financial Statements  
For the year ended 30 June 2019**

## **Note 1: Statement of Significant Accounting Policies**

### **(A) Basis of Preparation**

The company has elected to adopt the Australian Accounting Standards - Reduced Disclosure Requirements.

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the Corporation Act 2001. Mareeba & Dimbulah Financial Services Limited is a for-profit entity for the purpose of preparing the financial statements.

The financial statements for the year ended 30 June 2019 were approved and authorised for issue by the Board of Directors on 25 September 2019.

### **(B) Accounting Policies**

The accounting policies are consistent with those applied in the previous financial year except as follows:

The entity has adopted the following new and amended Australian Accounting Standards and AASB Interpretations as at 1 July 2018:

AASB 9 Financial Instruments includes requirements for the recognition (and derecognition), classification and measurement of financial instruments, as well as the new hedge accounting requirements that will replace the corresponding requirements currently applicable to financial instruments under AASB 139: Financial Instruments: Recognition and Measurement. AASB 9 mandatorily applies to annual reporting periods beginning on or after 1 January 2018.

The company has applied the new standard as at 1 July 2018 through the application of transitional relief and elected not to restate prior periods. On adoption of AASB 9, the company has identified that the new standard has impacted the financial statements in relation to the classification of cash and cash equivalents as well as trade and other receivables. Under AASB 139, cash and cash equivalents and trade and other receivables were previously classified as loans and receivables in the financial statements. On the adoption of AASB 9, these financial instruments were reclassified to amortised cost. On adoption of the new standard, there was no effect that needed to be identified in opening retained earnings as at 1 July 2018. As such, there has been no material impact on the balances recognised in the financial statements.

### **Reconciliation of financial instruments on adoption of AASB 9 - 1 July 2018**

On adoption of AASB 9, the company has identified the following financial instruments that have been reclassified:

		Measurement Category			Carrying Amount	
	Notes	Original AASB 139 Category	New AASB 9 Category	Closing Balance 30 June 2018 (AASB 139)	Adoption of AASB 9	Opening Balance 1 July 2018 (AASB 9)
<b>Financial Assets</b>						
<b>Current</b>						
Cash and cash equivalents	7	Loans and receivables	Amortised Cost	863,034.61	-	863,034.61
Trade and other receivables	8	Loans and receivables	Amortised Cost	164,060.26	-	164,060.26
<b>Total Financial Assets</b>				<b>1,027,094.87</b>	<b>-</b>	<b>1,027,094.87</b>

There has been no change in the carrying amount of these financial instruments as a result of the adoption of AASB 9.

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached audit report.

**Mareeba & Dimbulah Financial Services Limited**

**ABN 53 115 503 930**

**Notes to the Financial Statements**

**For the year ended 30 June 2019**

AASB 15 Revenue from Contracts with Customers (issued December 2014) supersedes AASB 111: Construction Contracts, AASB 118: Revenue, Interpretation 13: Customer Loyalty Programmes, Interpretation 15: Agreements for the Construction of Real Estate, Interpretation 18: Transfers of Assets from Customers, Interpretation 131: Revenue - Barter Transactions Involving Advertising Services and Interpretation 1042: Subscriber Acquisition Costs in the Telecommunications Industry. AASB 15 mandatorily applies to annual reporting periods beginning on or after 1 January 2018 (as deferred by AASB 2015-8: Amendments to Australian Accounting Standards - Effective Date of AASB 15).

The new standard has been applied as at 1 July 2018 using the modified retrospective approach. Under this method, the cumulative effect of initial application is recognised as an adjustment to the opening balance of retained earnings at 1 July 2018 and comparatives are not restated. On adoption of AASB 15, there has been no effect on the transactions and balances recognised in the financial statements.

The information below highlights that there has been no effect on the company's statement of profit or loss and other comprehensive income and the statement of financial position for the year ended 30 June 2019. The adoption of AASB 15 did not have any impact on the company's statement of cash flows

**Statement of Profit or Loss and Other Comprehensive Income (extract)**

	<b>Amounts under AASB 118</b>	<b>Adjustment</b>	<b>Amounts under AASB 15</b>
Revenue from ordinary activities	1,861,417.84		1,861,417.84
Administration and general costs	(132,636.29)		(132,636.29)
Employment secondment expenses	(968,036.75)		(968,036.75)
ATM expenses	(20,995.08)		(20,995.08)
Depreciation & amortisation expenses	(60,790.32)		(60,790.32)
IT leasing and running costs	(46,936.59)		(46,936.59)
Occupancy costs	(122,082.50)		(122,082.50)
Marketing Development Fund expenses	(53,390.77)		(53,390.77)
Grants and donations	(300,000.00)		(300,000.00)
<b>Profit before income tax</b>	<b>156,549.54</b>		<b>156,549.54</b>
Income tax attributable to operation profit (loss)	43,308.37		43,308.37
<b>Total comprehensive income</b>	<b>113,241.17</b>		<b>113,241.17</b>

**Statement of Financial Position (extract)**

	<b>Amounts under AASB 118</b>	<b>Adjustment</b>	<b>Amounts under AASB 15</b>
<b>Current Assets</b>			
Cash and cash equivalents	976,338.31		976,338.31
Trade and other receivables	173,204.38		173,204.38
Current tax assets	9,443.07		9,443.07
Other assets	5,066.60		5,066.60
<b>Non-Current Assets</b>			
Property, plant and equipment	143,639.30		143,639.30
Intangible assets	230,668.78		230,668.78
<b>Total Assets</b>	<b>1,538,360.44</b>		<b>1,538,360.44</b>

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached audit report.

**Mareeba & Dimbulah Financial Services Limited****ABN 53 115 503 930****Notes to the Financial Statements****For the year ended 30 June 2019****Current Liabilities**

Trade and other payables	156,752.12	156,752.12
<b>Total Liabilities</b>	<b>156,752.12</b>	<b>156,752.12</b>

**Equity**

Contributed equity	1,004,511.00	1,004,511.00
Retained profits	377,097.32	337,097.32
<b>Total Equity</b>	<b>1,381,608.32</b>	<b>1,381,608.32</b>

**Recently issued or amended standards not yet effective**

AASB 16 Leases (issued February 2016) will be effective from 1 January 2019. The company is yet to undertake a detailed assessment of the impact of AASB 16 and as such has not elected to early adopt this standard in these financial statements.

**Economic dependency - Bendigo and Adelaide Bank Limited**

The company has entered into a franchise agreement with Bendigo and Adelaide Bank Limited that governs the management of the Community Bank(c) branches at Mareeba and Dimbulah, Queensland.

The branches operate as a franchise of Bendigo and Adelaide Bank Limited, using the name 'Bendigo Bank' and the logo and system of operations of Bendigo and Adelaide Bank Limited. The company manages the Community Bank branches on behalf of Bendigo and Adelaide Bank Limited, however all transactions with customers conducted through the Community Bank branches are effectively conducted between the customers and Bendigo and Adelaide Bank Limited.

All deposits are made with Bendigo and Adelaide Bank Limited, and all personal and investment products are products of Bendigo and Adelaide Bank Limited, with the company facilitating the provision of those products. All loans, leases or hire purchase transactions, issues of new credit and debit cards, temporary or bridging finance and any other transaction that involves creating a new debt, or increasing or changing the terms of an existing debt owed to Bendigo and Adelaide Bank Limited, must be approved by Bendigo and Adelaide Bank Limited. All credit transactions are made with Bendigo and Adelaide Bank Limited, and all credit products of Bendigo and Adelaide Bank Limited.

Bendigo and Adelaide Bank Limited provides significant assistance in establishing and maintaining the Community Bank (r) branch franchise operations. It also continues to provide ongoing management and operational support, and other assistance and guidance in relation to all aspects of the franchise operation, including advice in relation to:

- advice and assistance in relation to the design, layout and fitout of the Community Bank(r) branches;
- training for the branch manager and other employees in banking, management systems and interface protocol;
- methods and procedures for the sale of products and provision of services;
- security and cash logistic controls;
- cancellation of company revenue and payment of many operation and administrative expenses;
- the formulation and implementation of advertising and promotional programs;
- sales techniques and proper customer relations.

**The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached audit report.**



**Mareeba & Dimbulah Financial Services Limited****ABN 53 115 503 930****Notes to the Financial Statements****For the year ended 30 June 2019**

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The following is a summary of the material accounting policies adopted by the company in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

**Summary of accounting policies****Overall consideration**

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below.

**Revenue**

The Company has applied AASB 15: Revenue from Contracts with Customers using the cumulative effect method and therefore the comparative information has not been restated and continues to be presented under AASB 118: Revenue.

Revenue is recognised based on the amount of consideration expected by an entity after providing goods or services, or the amount of revenue on the transfer of goods and services to a customer. The company follows the following 5-step process when determining whether to recognise revenue:

1. Identifying the contract with the customer;
2. Identifying the performance obligations in the contract;
3. Determining the transaction price;
4. Allocating the transaction price to the performance obligations; and
5. Recognising revenue when (or as) the performance obligations are satisfied.

**Revenue calculation**

The franchise agreement with Bendigo and Adelaide Bank Limited provides for three types of revenue earned by the company. First, the company is entitled to 50% of monthly gross margin earned by Bendigo and Adelaide Bank Limited on products and services provided through the company that are regarded as 'day to day' banking business (ie 'margin business'). This arrangement also means that if the gross margin reflects a loss (that is, the gross margin is a negative amount), the company effectively incurs, and must bear, 50% of the loss.

The second source of revenue is commission paid by Bendigo and Adelaide Bank Limited on the other products and services provided through the company (ie 'commission business'). The commission is currently payable on various specified products and services, including insurance, financial planning, common fund, Sandhurst Select, superannuation, commercial loan referrals, products referred by Rural Bank, leasing referrals, fixed loans and certain term deposits (>90 days). The amount of commission payable can be varied in accordance with the Franchise Agreement (which, in some cases, permits commissions to be varied at the discretion of Bendigo and Adelaide Bank Limited). This discretion has been exercised on several occasions previously. For example, in February 2011, Bendigo and Adelaide Bank Limited reduced commission on two core banking products to ensure a more even distribution of income between Bendigo and Adelaide Bank Limited and its Community Bank partners. The revenue share model is subject to regular review to ensure that the interests of Bendigo and Adelaide Bank and Community Bank companies remain balanced.

The third source of revenue is a proportion of the fees and charges (ie, what are commonly referred to as 'bank fees and charges') charges to customers. This proportion, determined by Bendigo and Adelaide Bank Limited, may vary between products and services and may be amended by Bendigo and Adelaide Bank Limited from time to time.



**Mareeba & Dimbulah Financial Services Limited****ABN 53 115 503 930****Notes to the Financial Statements****For the year ended 30 June 2019**

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**Income Tax****Current tax**

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

**Deferred tax**

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probably that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial taxable income or account profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities reflects the tax consequences that would follow from the manner in which the consolidated entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax and when the balances relate to taxes levied by the same taxation authority and the company entity intends to settle its tax assets and liabilities on a net basis.

**Current and deferred tax in the period**

Current and deferred tax is recognised as an expense or income in the Statement of Profit or Loss and Other Comprehensive Income, except when it relates to items credited or debited to equity, in which case the deferred tax is also recognised directly in equity or where it arises from initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

**Employee Benefits**

Provision is not made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employees are seconded staff of Bendigo and Adelaide Bank Limited and are treated as employees of Bendigo and Adelaide Bank Limited. The company is invoiced each month for a provision to employee entitlements, such as long-service leave, holiday pay and personal leave. Any provision for employee entitlements are accrued by Bendigo and Adelaide Bank Limited.

**Cash and Cash Equivalents**

For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Positions.

**Trade Receivables and Payables**

Receivables are carried at fair value. The collectability of debts is assessed at balance date and specific provision is made for any doubtful accounts. Liabilities for trade creditors and other amounts payable are carried at cost that is the fair value of the consideration to be paid in future for goods and services received, whether or not billed to the company.

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**The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached audit report.**

## Mareeba & Dimbulah Financial Services Limited

ABN 53 115 503 930

### Notes to the Financial Statements

For the year ended 30 June 2019

#### Property, Plant and Equipment

Plant and equipment, leasehold improvements and equipment under finance lease are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land. Depreciation is calculated on a straight line basis so as to write off the net cost of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated at the rate equivalent to the available building allowance using the straight line method. The estimated useful lives, residual lives and depreciation method is reviewed at the end of each annual reporting period.

The following estimated useful lives are used in the calculation of depreciation:

Class of Asset	Depreciation Rate
Leasehold improvements	2.5 -40.0%
Plant and equipment	2.5 -40.0%
Fixtures and fittings	2.5 -40.0%

Gains and losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

#### Intangibles

The franchise fee paid to Bendigo and Adelaide Bank Limited has been recorded at cost and is amortised on a straight line basis over the life of the franchise agreement.

#### Borrowings

All loans are initially measured as the principal amount. Interest is recognised as an expense as it accrues.

#### Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to Mareeba & Dimbulah Financial Services are classified as finance leases.

Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value. Lease payment are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that Mareeba & Dimbulah Financial Services Limited will obtain ownership of the asset or over the term of the lease.

Lease payments made under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

#### Provisions

Provisions are recognised when Mareeba & Dimbulah Financial Services Limited has a legal or constructive obligation, as a result of past events, for which it is probable that the outflow of economic benefit will result and that the outflow can be reliably measured.

**The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached audit report.**

**Mareeba & Dimbulah Financial Services Limited****ABN 53 115 503 930****Notes to the Financial Statements****For the year ended 30 June 2019**

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A provision for dividends is not recognised as a liability unless the dividends are declared, determined or publicly recommended on or before the reporting date.

**Contributed Equity**

Ordinary shares are recognised at the fair value of the consideration received by the company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

**Earnings per Share**

Basic earning per share is calculated by dividing the profit attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

**Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item.

Cash flows are presented in the cash flow statement on a net basis (after GST), except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**Note 2: Financial Instruments****Recognition and derecognition**

Financial assets and financial liabilities are recognised when the Group becomes a party to contractual provisions of the financial instrument and are measured initially at fair value adjusted by transaction costs, except for those carried at fair value profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

**Classification and initial measurement of financial assets**

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

**Subsequent measurement of financial assets**

For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following categories upon initial recognition:

- financial assets at amortised costs
- financial assets at fair value through profit and loss (FVPL)
- debt instruments at fair value through other comprehensive income (FVOCI)
- equity instruments at fair value through other comprehensive income (FVOCI)

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**The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached audit report.**

**Mareeba & Dimbulah Financial Services Limited**

**ABN 53 115 503 930**

**Notes to the Financial Statements**

**For the year ended 30 June 2019**

Classification are determined by both:

- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial assets
- the contractual cash flow characteristics of the financial assets

All income and expenses relating to financial assets that are recognised in profit and loss are presented within revenue from ordinary activities.

**Financial assets at amortised cost**

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised costs using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents as well as trade and other receivables fall into this category of financial instruments.

**Financial assets at fair value through profit or loss (FVPL)**

Financial assets that are held within a business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply. The Company does not hold any financial assets that fall into this category of financial instruments.

**Debt instruments at fair value through other comprehensive income (Debt FVOCI)**

Financial assets with contractual cash flows representing solely payments of principal and interest and held within a business model of collecting the contractual cash flows and selling the assets are accounted for at FVOCI.

Any gains or losses recognised in OCI will be recycled upon recognition of the asset. This category includes bonds that were previously classified as 'available-for-sale' under AASB 139.

**Equity instruments at fair value through other comprehensive income (Equity FVOCI)**

Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at FVOCI. Under this category, subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss. Dividend income is taken to profit or loss unless the dividend clearly represents return of capital.

**Impairment of financial assets**

AASB 9's new impairment model use more forward looking information to recognize expected credit losses - the 'expected credit losses (ECL) model'. The application of the new impairment model depends on whether there has been a significant increase in credit risk.

**The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached audit report.**

**Mareeba & Dimbulah Financial Services Limited****ABN 53 115 503 930****Notes to the Financial Statements****For the year ended 30 June 2019**

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**Liquidity Management**

Prudent liquidity management implies maintaining sufficient cash and marketable securities and the availability of funding from credit facilities. The company believes that its sound relationship with Bendigo and Adelaide Bank Limited mitigates this risk significantly.

**Capital Management**

The board's policy is to maintain a strong capital base so as to sustain future development of the company. The board of directors monitor the return on capital and the level of dividends to shareholders. Capital is represented by total equity as recorded in the Statement of Financial Position.

In accordance with the franchise agreement in any 12 month period, the funds distributed to shareholders shall not exceed the distribution limit.

The distribution limit is the greater of:

- a) 20% of the profit or funds of the franchisee otherwise available for distribution to shareholders in that 12 month period; and
- b) subject to the availability of distributable profits, the relevant rate of return multiplied by the average level of share capital of the franchisee over that 12 month period.

The board is managing the growth of the business in line with this requirement. There are no other externally imposed capital requirements, although the nature of the company is such that amounts will be paid in the form of charitable donations and sponsorship. Charitable donations and sponsorship paid for the year ended 30 June 2019 can be seen in the Statement of Profit and Loss and Other Comprehensive Income.

There were no changes in the company's approach to capital management during the year.

**Note 3: Critical Accounting Estimates and Judgements**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

**Taxation**

Judgement is required in assessing whether deferred tax assets and certain tax liabilities are recognised on the Statement of Profit or Loss and Other Comprehensive Income. Deferred tax assets, including those arising from un-recouped tax losses, capital losses and temporary differences, are recognised only where it is considered more likely than not that they will be recovered.



**Mareeba & Dimbulah Financial Services Limited**  
**ABN 53 115 503 930**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2019**

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## **Note 4: Revenue from Ordinary Activities**

### **Operating Activities:**

Gross Margin	1,343,510.24	1,202,411.80
Upfront Product Commission	49,691.90	53,664.04
Trailer Product Commission	260,436.62	325,325.87
Fee Income	134,597.60	141,632.93
Market Development Fund	47,499.93	47,499.93
Rebates and Refunds	7,608.18	6,950.00
Total revenue from operating activities	<u>1,843,344.47</u>	<u>1,777,484.57</u>

### **Non-operating Activities:**

Interest revenue	<u>18,073.37</u>	<u>13,857.77</u>
Total revenue from non-operating activities	<u>18,073.37</u>	<u>13,857.77</u>
Total revenue from ordinary activities	<u>1,861,417.84</u>	<u>1,791,342.34</u>

## **Note 5: Income Tax**

The prima facie tax payable on profit from ordinary activities before income tax is reconciled to the income tax as follows:

Profit/(loss) from ordinary activities before income tax	156,549.54	140,460.80
Prima facie income tax	43,051.12	38,626.77
Add tax effect of:		
- Prepaid insurance	<u>221.38</u>	<u>(1,537.89)</u>
Income tax expense/(revenue)	<u>43,308.37</u>	<u>37,088.88</u>
Income tax expense attributable to profit from ordinary activities	<u>43,308.37</u>	<u>37,088.88</u>

The applicable weighted average effective tax rates are as follows (%):	27.66	26.41
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**The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached audit report.**

**Mareeba & Dimbulah Financial Services Limited**

**ABN 53 115 503 930**

**Notes to the Financial Statements**

**For the year ended 30 June 2019**

**Note 6: Dividends**

Dividends Provided for or Paid	73,072.05	73,758.05
	<u>73,072.05</u>	<u>73,758.05</u>

On 17 December 2018, dividend payments of \$72,807.05 were made to ShareData, a share registry service employed to distribute dividends. As at the date of this report, the company has transitioned to AFS Associates Pty Ltd to provide the share registry services. As a result of this share registry change, rejected dividend payments of \$4,741.50 were returned to the company. As at 30 June 2019, \$3,907.75 of these remain outstanding and are recognised as a liability of the company. Payments of \$245.00 were also made during the period in relation to rejected dividends from prior years.

**Note 7: Cash assets**

Bank accounts:

- Bendigo General Cheque Account	43,305.44	30,960.67
- Bendigo Market Development Fund Account	108,426.24	106,098.09
- Bendigo Business Solutions Account	4,322.31	639.56
- Bendigo Business Cash Mgmt Account	284.32	336.29

Other cash items:

- Term Deposit	820,000.00	725,000.00
	<u>976,338.31</u>	<u>863,034.61</u>

**Reconciliation of Cash:**

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

- Cash	976,338.31	863,034.61
	<u>976,338.31</u>	<u>863,034.61</u>

**Note 8: Trade and Other Receivables**

**Current**

Trade debtors	173,204.38	164,060.26
	<u>173,204.38</u>	<u>164,060.26</u>

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached audit report.

**Mareeba & Dimbulah Financial Services Limited****ABN 53 115 503 930****Notes to the Financial Statements****For the year ended 30 June 2019****Note 9: Tax Assets****Current**

GST Payable Control Account	(45,596.54)	(31,566.40)
Input Tax Credit Control Account	65,749.32	20,987.78
Provision for income tax	(11,566.67)	(8,108.32)
Deferred Tax Assets	1,393.31	1,650.56
Amounts Withheld from Salary and Wages	(147.00)	
Employee entitlements	(389.35)	
	<u>9,443.07</u>	<u>(17,036.38)</u>

**Note 10: Other Assets****Current**

Prepayments	<u>5,066.60</u>	<u>6,002.27</u>
	<u>5,066.60</u>	<u>6,002.27</u>

**Note 11: Property, Plant and Equipment**

## Leasehold improvements:

- At cost	542,030.43	540,210.43
- Less: Accumulated depreciation	<u>(399,948.45)</u>	<u>(366,991.45)</u>
	<u>142,081.98</u>	<u>173,218.98</u>

## Plant and equipment:

- At cost	14,435.32	14,435.32
- Less: Accumulated depreciation	<u>(12,878.00)</u>	<u>(12,157.00)</u>
	<u>1,557.32</u>	<u>2,278.32</u>

Total written down amount	<u>143,639.30</u>	<u>175,497.30</u>
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**The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached audit report.**



## Mareeba &amp; Dimbulah Financial Services Limited

ABN 53 115 503 930

## Notes to the Financial Statements

For the year ended 30 June 2019

**Note 12: Intangible Assets**

Start-up costs:

- At cost	170,000.00	170,000.00
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Franchise fees:

- At cost	65,734.00	65,734.00
- Less: Accumulated amortisation	(38,955.62)	(34,436.90)
	<u>26,778.38</u>	<u>31,297.10</u>

Renewal process fees

- At cost	228,674.00	228,674.00
- Less: Accumulated amortisation	(194,783.60)	(172,190.00)
	<u>33,890.40</u>	<u>56,484.00</u>

Total written down amount

	<u><u>230,668.78</u></u>	<u><u>257,781.10</u></u>
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**Note 13: Trade and Other Payables**

Unsecured:

- Trade creditors	152,662.00	107,399.96
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Amounts payable to:

- Mareeba Golf Club Inc		500.00
	<u>152,662.00</u>	<u>107,899.96</u>

The \$500.00 overpayment made by Mareeba Golf Club Inc as noted in the previous financial statements dated 26 September 2018 was repaid to the organisation in November 2018.

**Note 14: Contributed Capital**

1,004,511 Ordinary shares at \$1.00 each fully paid	<u><u>1,004,511.00</u></u>	<u><u>1,004,511.00</u></u>
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Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held.

At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached audit report.

**Mareeba & Dimbulah Financial Services Limited**

**ABN 53 115 503 930**

**Notes to the Financial Statements**

**For the year ended 30 June 2019**

## **Rights attached to shares**

### **Voting rights**

Subject to some limited expectation, each shareholder has the right to vote at a general meeting.

On a show of hands or a poll, each shareholder attending the meeting (whether they are attending the meeting in person or by attorney, corporate representative or proxy) has one vote, regardless of the number of shares held. However, where a person attends a meeting in person and is entitled to vote in more than one capacity (for example the person is a shareholder and has also been appointed a proxy for another shareholder) that person may only exercise one vote on a show of hands. On a poll, that person may exercise one vote as a shareholder and one vote for each other shareholder that person represents as duly appointed attorney, corporate representative or proxy.

The purpose of giving each shareholder only one vote, regardless of the number of shares held, is to reflect the nature of the company as a community based company, by providing that all shareholders of the community who have contributed to the establishment and ongoing operation of the Community Bank have the same ability to influence the operation of the company.

### **Dividends**

Generally, dividends are payable to shareholders in proportion to the amount of the share capital paid up on the shares held by them, subject to any special rights and restrictions for the time being attaching to shares. The franchise agreement with Bendigo and Adelaide Bank Limit contains a limit on the level of profits or funds that may be distributed to shareholders. There is also a restriction on the payment of dividends to certain shareholders if they have a prohibited shareholding interest (see below).

### **Transfer**

Generally, ordinary shares are freely transferable. However, the directors have a discretion to refuse to register a transfer of shares.

Subject to the foregoing, shareholders may transfer shares by a proper transfer effected in accordance with the company's constitution and the Corporations Act.

A person must not have a prohibited shareholding interest in the company.

In summary, a person has a prohibited shareholding interest if any of the following applies:

- They control or own 10% or more of the shares in the company (the '10% limit').
- In the opinion of the board they do not have a close connection to the community or communities in which the company predominantly carries on business (the 'close connection test').
- Where the person is a shareholder, after the transfer of shares in the company to that person the number of shareholders in the company is (or would be) lower than the base number (the 'base number test'). The base number is 311. As at the date of this report, the company had 488 shareholders.

As with voting rights, the purpose of this prohibited shareholding provision is to reflect the community-based nature of the company.

Where a person has a prohibited shareholding interest, the voting and dividend rights attaching to the shares in which the person (and his or her associates) have a prohibited shareholding interest, are suspended.

**The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached audit report.**

**Mareeba & Dimbulah Financial Services Limited****ABN 53 115 503 930****Notes to the Financial Statements****For the year ended 30 June 2019**

The board has the power to request information from a person who has (or is suspected by the board of having) a legal or beneficial interest in any shares in the company or any voting power in the company, for the purpose of determining whether a person has a prohibited shareholding interest. If the board becomes aware that a shareholder has a prohibited shareholding interest, it must serve a notice requiring the shareholder (or the shareholder's associate) to dispose of the number of shares the board considers necessary to remedy the breach. If a person fails to comply with such a notice within a specified period (that must be between three and six months), the board is authorised to sell the specified shares on behalf of that person. The holder will be entitled to the consideration from the sale of the shares, less any expenses incurred by the board in selling or otherwise dealing with those shares.

In the constitution, members acknowledge and recognise that the exercise of the powers given to the board may cause considerable disadvantage to individual shareholders, but that such a result may be necessary to enforce the prohibition

**Note 15: Leases**

Non-cancellable operating leases contracted for, but not capitalised in the financial statements.

Payable - minimum lease payments (subject to renewal, market reviews and CPI):

	\$	\$
- not later than 12 months	77,575.48	74,732.68
- between 12 months and 5 years	334,290.62	322,036.71

The Mareeba property lease is a non-cancellable lease. An option was taken up with a five year term, due to expire on 30 November 2020, with rent payable monthly in advance. There remains one five year option to renew the lease.

The Dimbulah property lease is a non-cancellable lease with a five year term, with rent payable monthly in advance. The second five year option was taken up, commencing on 1 December 2015 and will be due to expire on 30 November 2020 with no further options to renew.

**Note 16: Director and Related Party Disclosures**

No director or related party has entered into a material contract with the company.

Detailed remuneration disclosures are provided in the remuneration report, included as part of the directors' report.

**Related Party Transactions**

The following transactions occurred with related parties:

Payment for services from associates		
- Millar Teitzel Accountants and Advisors	18,850.00	16,551.00

**Shareholdings**

Number of shares held by directors	29,094	29,094
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**Note 17: Events Occurring After the Balance Sheet Date**

There have been no events after the end of the financial year that would materially affect the financial statements.

**The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached audit report.**

**Mareeba & Dimbulah Financial Services Limited**

**ABN 53 115 503 930**

**Notes to the Financial Statements**

**For the year ended 30 June 2019**

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**Note 18: Contingent Liabilities**

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

**Note 19: Segment Reporting**

The economic entity operates in the service sector where it facilitates Community Bank services in Mareeba and Dimbulah, Queensland pursuant to a franchise agreement with Bendigo and Adelaide Bank Limited.

**Note 20: Community Enterprise Foundation / Australian Sports Foundation**

The company has over the years deposited into both the Community Enterprise Foundation (CEF) and Australian Sports Foundation (ASF) to be used for distribution to community organisation as part of the company's grant programs. During the 2019 financial year \$300,000 was granted to Community Enterprise Foundation(2018:\$330,000 -CEF)

**Mareeba & Dimbulah Financial Services Limited**  
**ABN 53 115 503 930**  
**Directors' Declaration**

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The directors of the company declare that:

1. the financial statements and notes are in accordance with the Corporations Act 2001 and:
  - (a) comply with Accounting Standards and the Corporations Regulations; and
  - (b) give a true and fair view of the company's financial position as at 30 June 2019 and of its performance for the year ended on that date;
2. in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors are responsible for the reliability, accuracy and completeness of the accounting records and the disclosure of all material and relevant information.

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



Graeme E Ford  
Director



Michael P Hoskin  
Director

Dated: 25/09/2019

## INDEPENDENT AUDIT REPORT

### Independent Auditor's report to the members of Mareeba and Dimbulah Financial Services Ltd

#### Report on audit of the financial statements

##### *Auditor's Opinion*

In our opinion, the financial report of Mareeba & Dimbulah Financial Services Limited is in accordance with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the company's financial position as at 30 June 2019 and of its performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

##### *What we have audited*

Mareeba and Dimbulah Financial Services Ltd financial report comprises the statement of profit or loss and other comprehensive income for the year ended 30 June 2019, statement of financial position as at 30 June 2019, statement of changes in equity and statement of cash flows for the year ended on that date, Notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration.

##### *Basic for opinion*

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report.

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We are independent of the entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the other ethical requirements of the Accounting Professional and Ethical Standards Board APES 110 *Code of Ethics for Professional Accountants* that are relevant to our audit of the financial report in Australia; and have fulfilled our ethical responsibilities in accordance with this code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our audit opinion.

### *Other information*

Other information relates to the entities financial and non-financial information included in the Annual Report which may include the Chairperson's Report and other reports covering governance and shareholder matters. We do not express any form of assurance conclusion of the other information.

Our responsibility is to read the other information as identified when it becomes available and consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If we identify that a materially inconsistency exists when we read the annual report, or become aware of other information that may be materially misstated, we will discuss with the directors and may require management to correct the other information if we believe a material misstatement exists.

### *Responsibility of management for the financial report*

The Directors of the entity are responsible for the preparation of the financial report so that it gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*, and for such internal control as the directors deem necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

### *Auditor's responsibility for the audit of the financial report*

Our responsibility is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that if an audit is conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Material misstatements may arise from fraud or error and are considered material either individually or in aggregate and they could reasonably expect to influence the economic decisions of users of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at <http://www.auasb.gov.au/home.aspx> and this description forms part of our auditor's report.

### **Cairns Quality Accounting**



**Megan O'Neill FCPA**  
Registered Company Auditor #419579  
Cairns Quality Accounting

Signed at Cairns on 26 September 2019