
Molonglo

Financial Services Limited

ABN: 77 100 097 443

Financial Statements

For the half-year ended

31 December 2017

Molonglo 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:

Neale Desmond Guthrie
Brian Joseph Brown
Alison Louise Grimes
Klarisa Dominka Cengic
Yvonne Alice Gillett
Radmilla Noveska
Robbie Rynehart (*Appointed 30 October 2017*)
Robert Gwynfor Bowness Evans (*Resigned 29 January 2018*)

Principal activities

The principal activity of the company during the course of the financial period was facilitating **Community Bank®** services under management rights to operate franchised branches 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
\$	\$
113,334	20,243

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 Braddon, Australian Capital Territory on 26 February 2018.

Chairman



Neale Desmond Guthrie

Lead auditor's independence declaration under section 307C of the *Corporations Act 2001* to the directors of Molonglo Financial Services 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: 26 February 2018



David Hutchings
Lead Auditor

Molonglo 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	1,325,806	1,254,231
Employee benefits expense	(724,216)	(729,523)
Charitable donations, sponsorship, advertising and promotion	(57,017)	(76,780)
Occupancy and associated costs	(131,558)	(136,189)
Systems costs	(68,458)	(57,361)
Depreciation and amortisation expense	(55,383)	(63,155)
Finance costs	(2,014)	(1,957)
General administration expenses	(130,837)	(153,251)
Profit before income tax	156,323	36,015
Income tax expense	(42,989)	(15,772)
Profit after income tax	113,334	20,243
Total comprehensive income for the half-year attributable to the ordinary shareholders of the company:	113,334	20,243
Earnings per Share	¢	¢
Basic earnings per share:	2.98	0.53

Molonglo Financial Services Limited

Balance Sheet

As at 31 December 2017

	Note	31-Dec-2017 \$	30-Jun-2017 \$
ASSETS			
Current assets			
Cash and cash equivalents		805,003	840,276
Trade and other receivables		256,195	214,702
Total current assets		1,061,198	1,054,978
Non-current assets			
Property, plant and equipment		627,141	358,816
Intangible assets		184,223	124,738
Deferred tax assets		148,754	191,743
Total non-current assets		960,118	675,297
TOTAL ASSETS		2,021,316	1,730,275
LIABILITIES			
Current liabilities			
Trade and other payables		446,062	237,318
Borrowings		30,425	30,212
Provisions		74,506	64,919
Total current liabilities		550,993	332,449
Non-current liabilities			
Trade and other payables		108,517	56,858
Borrowings		34,921	48,164
Provisions		11,535	14,826
Total non-current liabilities		154,973	119,848
TOTAL LIABILITIES		705,966	452,297
NET ASSETS		1,315,350	1,277,978
EQUITY			
Issued capital		2,223,293	2,223,293
Accumulated losses		(907,943)	(945,315)
TOTAL EQUITY		1,315,350	1,277,978

Molonglo Financial Services 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		2,223,293	(905,487)	1,317,806
Total comprehensive income for the half-year		-	20,243	20,243
Transactions with owners in their capacity as owners:				
Shares issued during period		-	-	-
Costs of issuing shares		-	-	-
Dividends provided for or paid	6	-	(75,962)	(75,962)
Balance at 31 December 2016		2,223,293	(961,206)	1,262,087
Balance at 1 July 2017		2,223,293	(945,315)	1,277,978
Total comprehensive income for the half-year		-	113,334	113,334
Transactions with owners in their capacity as owners:				
Shares issued during period		-	-	-
Costs of issuing shares		-	-	-
Dividends provided for or paid	6	-	(75,962)	(75,962)
Balance at 31 December 2017		2,223,293	(907,943)	1,315,350

Molonglo Financial Services Limited

Statement of Cash Flows

For the half-year ended 31 December 2017

	Note	2017 \$	2016 \$
Cash flows from operating activities			
Receipts from customers		1,429,587	1,369,613
Payments to suppliers and employees		(1,296,732)	(1,283,401)
Interest paid		(2,014)	(1,723)
Interest received		4,686	4,522
Net cash provided by operating activities		135,527	89,011
Cash flows from investing activities			
Purchase of property, plant and equipment		(990)	(26,265)
Proceeds from sale of property, plant and equipment		-	9,091
Payments for intangible assets		(81,232)	-
Net cash used in investing activities		(82,222)	(17,174)
Cash flows from financing activities			
Proceeds from borrowings		-	25,480
Repayment of borrowings		(12,616)	(11,136)
Dividends paid	6	(75,962)	-
Net cash provided by/(used in) financing activities		(88,578)	14,344
Net increase/(decrease) in cash held		(35,273)	86,181
Cash and cash equivalents at the beginning of the financial year		840,276	613,157
Cash and cash equivalents at the end of the half-year		805,003	699,338

Molonglo Financial Services 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 Canberra and district, Australian Capital Territory 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 provided/paid	2017		2016	
	Cents	\$	Cents	\$
Unfranked dividend paid in the period as recommended in the annual financial report:	2.00	75,962	-	-
Unfranked dividend declared in the period and recognised as a liability:	-	-	2.00	75,962

Molonglo Financial Services Limited

Directors' Declaration

In the opinion of the directors of Molonglo 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



Neale Desmond Guthrie

Dated this

26th

day of

February

2018.

Independent auditor's review report to the members of Molonglo Financial Services Limited

Report on the half-year financial report

We have reviewed the accompanying half-year financial report of Molonglo Financial Services 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 Molonglo Financial Services 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 Molonglo Financial Services 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: 26 February 2018



David Hutchings
Lead Auditor