

Mundaring Community Financial Services Limited

ABN: 63 097 289 677

Financial Statements

For the half-year ended 31 December 2016

Mundaring Community Financial Services Limited

Directors' Report

Your directors submit the financial report of the company for the half-year ended 31 December 2016.

Directors

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

Richard James Stuart
Matthew Charles Yacopetti
James Edward Saunders
Arthur Robert Maddison
Peter Francis Hackett
Benjamin Peter Fillery
Tara Lee Herbert
Susan Elisabeth Fox-Mooney
David Alan Earnshaw
Frances Jessica Berry (*Appointed 6 July 2016*)

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 a franchised branch of Bendigo and Adelaide Bank Limited.

Review of operations

Income has increased for the six months ended 31 December 2016 as a result of the Company adopting the new profit share proposed by Bendigo Bank as part of its New Horizons package. The net profit of the company for the financial period after the provision of income tax was:

Half-year ended 31 December 2016	Half-year ended 31 December 2015
\$ 63,211	\$ 13,203

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. Except for the Company's plan to employ up to two staff who will be solely engaged in developing new business in its traditional area of influence and other areas including the Midland region.

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 Mundaring, Western Australia on 1 March 2017.

Chairman



Richard James Stuart

Lead auditor's independence declaration under section 307C of the *Corporations Act 2001* to the directors of Mundaring Community Financial Services Limited

We declare that, to the best of our knowledge and belief, for the half-year ended 31 December 2016 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: 1 March 2017



David Hutchings
Lead Auditor

Mundaring Community Financial Services Limited

Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2016

	2016 \$	2015 \$
Revenue from ordinary activities	787,561	676,719
Employee benefits expense	(449,778)	(416,304)
Charitable donations, sponsorship, advertising and promotion	(64,218)	(62,029)
Occupancy and associated costs	(75,491)	(72,551)
Systems costs	(13,408)	(13,322)
Depreciation and amortisation expense	(20,302)	(23,167)
General administration expenses	(22,334)	(15,698)
Banking administration expense	(53,962)	(54,374)
Profit before income tax	88,068	19,274
Income tax expense	(24,857)	(6,071)
Profit after income tax	63,211	13,203
Total other comprehensive income for the half-year attributable to the ordinary shareholders of the company:	63,211	13,203
Earnings per Share	¢	¢
Basic earnings per share:	11.17	2.33

Mundaring Community Financial Services Limited

Balance Sheet

As At 31 December 2016

	31-Dec-2016	30-Jun-2016
	\$	\$
ASSETS		
Current assets		
Cash and cash equivalents	1,139,642	1,123,245
Trade and other receivables	185,631	145,331
Other assets	20,000	20,000
Current tax asset	-	4,000
Total current assets	1,345,273	1,292,576
Non-current assets		
Other assets	15,000	25,000
Property, plant and equipment	115,862	127,764
Intangible assets	832	5,832
Deferred tax assets	28,603	45,814
Total non-current assets	160,297	204,410
TOTAL ASSETS	1,505,570	1,496,986
LIABILITIES		
Current liabilities		
Trade and other payables	70,932	112,220
Current tax liabilities	3,646	-
Provisions	120,839	140,053
Total current liabilities	195,417	252,273
Non-current liabilities		
Provisions	21,992	19,763
Total non-current liabilities	21,992	19,763
TOTAL LIABILITIES	217,409	272,036
NET ASSETS	1,288,161	1,224,950
EQUITY		
Issued capital	559,585	559,585
Retained earnings	728,576	665,365
TOTAL EQUITY	1,288,161	1,224,950

The accompanying notes form part of these financial statements

Mundaring Community Financial Services Limited

Statement of Changes in Equity

For the half-year ended 31 December 2016

	Issued Capital \$	Retained Earnings \$	Total Equity \$
Balance at 1 July 2015	559,585	714,040	1,273,625
Total comprehensive income for the half-year	-	13,203	13,203
Transactions with owners in their capacity as owners:			
Shares issued during period	-	-	-
Costs of issuing shares	-	-	-
Dividends provided for or paid	-	-	-
Balance at 31 December 2015	559,585	727,243	1,286,828
Balance at 1 July 2016	559,585	665,365	1,224,950
Total comprehensive income for the half-year	-	63,211	63,211
Transactions with owners in their capacity as owners:			
Shares issued during period	-	-	-
Costs of issuing shares	-	-	-
Dividends provided for or paid	-	-	-
Balance at 31 December 2016	559,585	728,576	1,288,161

Mundaring Community Financial Services Limited

Statement of Cash Flows

For the half-year ended 31 December 2016

	2016 \$	2015 \$
Cash flows from operating activities		
Receipts from customers	798,322	715,957
Payments to suppliers and employees	(801,058)	(739,656)
Interest received	12,533	15,195
Income taxes paid	-	(2,000)
Net cash provided by/(used in) operating activities	9,797	(10,504)
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,400)	-
Repayment of loan	10,000	10,000
Net cash provided by investing activities	6,600	10,000
Cash flows from financing activities		
Dividends paid	-	(33,942)
Net cash provided by/(used in) financing activities	-	(33,942)
Net increase/(decrease) in cash held	16,397	(34,446)
Cash and cash equivalents at the beginning of the financial year	1,123,245	1,121,319
Cash and cash equivalents at the end of the half-year	1,139,642	1,086,873

Mundaring Community Financial Services Limited

Notes to the Financial Statements

For the half-year ended 31 December 2016

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 2016 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 and 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 2016.

Note 2. Events subsequent to reporting date

There have been no events subsequent to reporting date that would materially effect 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 Mundaring, Queensland 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 2016 annual financial report.

Mundaring Community Financial Services Limited

Directors' Declaration

In the opinion of the directors of Mundaring Community 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 2016 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



Richard James Stuart

Dated this

1

day of

March

2017.

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

Report on the half-year financial report

We have reviewed the accompanying half-year financial report of Mundaring Community Financial Services Limited, which comprises the balance sheet as at 31 December 2016, 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 2016 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 Mundaring Community 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 Mundaring Community 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 2016 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: 1 March 2017



David Hutchings
Lead Auditor

Taxation

Business Services

Community Banking

Audit

Share Registry

Your partners
in success



61 Bull Street
Bendigo VIC 3550
PO Box 454
Bendigo VIC 3552

P 03 5443 0344
F 03 5443 5304
E afs@afsbendigo.com.au



afsbendigo.com.au