

The cover features a background of yellow flowers, possibly rapeseed, with green stems and buds. Two large, overlapping purple circles are positioned on the left side of the page, partially obscuring the text. The text is white and red, set against the purple background.

# Annual Report 2023

Murrumbidgee Financial  
Services Limited

Community Bank  
Harden Murrumbidgee

ABN 12 118 357 467

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# Chairman's report

For year ending 30 June 2023

This past financial year has been a big year for the Community Bank Harden-Murrumburrah.

I had mentioned in my report to the shareholders last year that we had all hoped that the end of 2021 would also mean the end of COVID-19 but unfortunately, as we know, we are still feeling the effects of the ongoing variants of the pandemic, which continues to affect members of our community.

Despite some of our staff succumbing to COVID over the past 18 months, our Community Bank branch has remained open, maintained its opening hours and continued to trade as an essential service. The directors would like to acknowledge the professional manner in which the staff have gone about their work, despite ongoing risks to their own health as we deliver the banking services the community requires.

In the past year we farewelled Sarah Prosser who has been a valued member of staff for 15 years and have also welcomed a new staff member, Alyssa Thompson who works full time.

The Community Bank's agency at Grenfell has again continued to operate effectively during the year, through the offices of Aston and Joyce and the directors thank the staff there for their commitment to growing the banking business in Grenfell and surrounding areas.

In the past 12 months the Board has been able to increase the number of sponsorships awarded to various community groups, both in the twin towns of Harden-Murrumburrah and also in Grenfell. In the last couple of months, the Board has worked with the Community Enterprise Foundation to improve the way our branch and our Board are able to continue to support the community. You may have noticed on Facebook that the branch will sponsor the 2023 Harden Show, with the result that we are able to have the naming rights for this year's Show. We have sponsored the Harden Show for a number of years and look forward to continuing this community engagement. Please support the Show when it comes to town in November this year.

Unfortunately Ros Bickford, who had been our hard working Company Secretary for the past three years, had to resign suddenly due to major illness resulting from the side effects of COVID. As a result the Board has appointed CB-Virtual Solutions to run our company secretarial operations. CB-Virtual Solutions provides services to numerous community bank companies within Bendigo's Community Bank "family" and came to us with a wealth of experience and knowledge.

With interest rates increasing over the past 12 months, it has meant that the profit share for Murrumburrah Financial Services Limited increased accordingly. For more information, I refer you to the 2023 financial report.

On a personal note, this report to shareholders marks the end of my tenure as a director and chair of Murrumburrah Financial Services Limited. I thank the directors, shareholders and branch staff for their support over the six years that I have been a director and wish everyone all the best for the future.



**Michael Bickford**  
**Chairman**  
**Murrumburrah Financial Services Limited**

# Manager's report

For year ending 30 June 2023

It is with much pleasure that I present the Manager's report for Community Bank Harden Murrumburrah for year ending 30 June 2023. We achieved an excellent result for the fiscal year 2022/23 while the banking industry is still facing many challenges and we are now happy that COVID 19 is behind us. Our business levels have reached a substantial level as of 30th June 2023 of \$134 million in total business, with growth being \$11.8 million for the 2023 fiscal year and with customer numbers across Harden Murrumburrah & Grenfell totalling 2213 a net 72 new customers for the year.

Once again, the continued support from the wider community, shareholders and staff has enabled the Company to provide generous returns to both shareholders and the community via dividends, grants, and sponsorships.

My sincerest thanks go to the board of directors for their continued support, along with the support of Bendigo & Adelaide Bank Regional Manager, Tim Butt. Also, I would like to thank the staff Janelle, Aisling & Alyssa for their continued enthusiasm and ongoing commitment towards the success of the Community Bank Harden Murrumburrah. We sadly lost two staff members last year Caron & Sarah who decided to leave us and further their careers. We wish them all the best.

The way we bank and banking in general is everchanging, with the use of cheques slowly ending, we will see customers adopt new ways of banking. The staff and the board are committed to continue to offer full banking services to the Harden Murrumburrah & Grenfell communities as we have over the past 16 years.

Lastly and most importantly I would like to thank our loyal customers. Their ongoing banking support is invaluable in helping our branch to continue to grow, enabling our Community Bank to continue to inject funds back into local projects and initiatives, and helping to create vibrant and thriving local Harden Murrumburrah & Grenfell communities.

Thank you for allowing me to be part of the community and I am looking forward to the future and what it holds for Community Bank Harden Murrumburrah.



**Lisa Dean**  
**Branch Manager**

# Bendigo and Adelaide Bank report

For year ending 30 June 2023

Community and customer will always be at the heart of what we do at Bendigo and Adelaide Bank.

Together, we're setting up Community Banking for the future – growing our impact as a leading social impact movement to transform communities across Australia.

As we continue to evolve to meet the needs of our customers, we should feel proud that more Australians are choosing to do their banking with us and trust us with their financial goals. Our position as Australia's most trusted bank (Roy Morgan) reflects the esteem we are held in by our customers, and communities.

This year has been particularly significant for us. After five years apart, we had the opportunity to come together in person and connect through our State Connect program and in Bendigo at our National Conference in September. It has also been a record-breaking year for Community Bank with more than \$32 million invested into local communities nationwide. This is our highest year on record and underscores our ongoing commitment to our customers and communities.

Reflecting on the 25 years since we opened our first Community Bank, I'm so grateful to the hard work of many passionate Directors (past and present). Everything we have done and continue to do is focused on our purpose to feed into the prosperity of our customers and communities, not off it.

On behalf of the Bank, thank you for continuing to play an essential role in supporting your community. I look forward to seeing us grow together and make a positive impact for generations to come.



**Justine Minne**  
**Bendigo and Adelaide Bank**

# Directors' report

## FOR THE YEAR ENDED 30 JUNE 2023

The Directors present their report on Murrumboola Financial Services Limited for the financial year ended 30 June 2023.

### Information on Directors/Secretary

Michael Bickford	Chair
Experience	7 years as a Director (resigned 30 June 2023)
Special responsibilities	Marketing & Sponsorship, Property, Budget & Finance Committees
Joy Rollason	Company Secretary
Experience	2 months as Company Secretary
Susan McCarthy	Treasurer
Experience	16 years as a Director and Treasurer
Special responsibilities	Governance & Audit, Budget & Finance, Marketing & Sponsorship Committees
Evelyn Shea	Director
Experience	14 years as a Director
Special responsibilities	Human Resources, Governance & Audit, Marketing & Sponsorship Committees
Judith McFadyen	Director
Experience	2 years as a Director
Special responsibilities	Governance & Audit, Sponsorship Committees
Amy Mergard	Director
Experience	2 years as a Director
Zita McLeod	Director
Experience	17 months as a Director
Special responsibilities	Governance & Audit, Sponsorship, Human Resources Committees
Kelvin Brown	Director
Experience	17 months as a Director
Special responsibilities	Marketing & Sponsorship, Property Committees

# Directors' report (continued)

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## Information on Directors

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

## Principal activity

The principal activity of Murrumboola Financial Services Limited during the financial year was providing community bank services under management rights to operate a franchised branch of the Bendigo and Adelaide Bank Limited.

No significant changes in the nature of the Company's activity occurred during the financial year.

## Operating results

The profit of the Company after providing for income tax amounted to \$230,194 (2022: \$28,863).

## Review of operations

A review of the operations of the Company during the financial year identified the following:

- Employee benefits were equivalent to 27% of revenue (2022: 51%);
- As at 30 June 2023, current assets exceeded current liabilities by \$588,670 (2022: \$370,832);
- Revenue increased by \$506,864 (2022 decreased: \$42,499); and
- The profit before income tax was \$305,553 (2022: \$39,397).

## Significant changes in state of affairs

There were no significant changes in the state of affairs of the Company during the year.

## Matters or circumstances arising after the end of the year

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

## Future developments and results

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

## Dividends paid or recommended

An unfranked dividend of \$34,405 (\$0.05 per share) was paid to shareholders in January 2023 as recommended by the Board in the half-year ended 31 December 2022 financial report.

# Directors' report (continued)

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## Meetings of Directors

During the financial year, 12 meetings of Directors were held. Attendances by each Director/Secretary during the year were as follows:

	Number eligible to attend	Number attended
Susan McCarthy	12	12
Evelyn Shea	12	9
Amy Mergard	12	6
Judith McFadyen	12	10
Zita McLeod	12	12
Kelvin Brown	12	12
Joy Rollason	3	3
Michael Bickford	12	12 (resigned 30.6.2023)
Roslyn Bickford	10	10 (resigned 30.4.2023)
Hugh Pavitt	5	5 (resigned 30.11.2022)


## Indemnification

The Company has paid premiums to insure the Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director of the Company, other than conduct involving a wilful breach of duty in relation to the Company.

## Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the year ended 30 June 2023 has been received and can be found on page 4 of the financial report.

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

Director: .....  
  
Joy Rollason

Director: .....  
  
Susan McCarthy

Dated: 29 September 2023



# Auditor's independence declaration



## MURRIMBOOLA FINANCIAL SERVICES LIMITED (FULL YEAR)

ABN: 12 118 357 467

### AUDITOR'S INDEPENDENCE DECLARATION

#### FOR THE YEAR ENDED 30 JUNE 2023

We declare that, to the best of our knowledge and belief, during the year ended 30 June 2023 there have been no contraventions of:

- (i) the auditor independence requirements as set out in the *Corporations Act 2001*, *Corporations Regulation 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

**National Audits Group Pty Ltd**  
**Authorised Audit Company**

A handwritten signature in cursive script that reads 'Chang Chow'.

**Chang Chow**  
**Registered Company Auditor**

**Dated 29 September 2023**

**Wagga Wagga**

# Financial statements

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

### FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 \$	2022 \$
Revenue		1,203,063	696,199
Other income		-	-
	4	1,203,063	696,199
<b>Less: Expenses</b>			
Agent commission		109,191	97,266
Amortisation		13,333	2,578
Auditor's remuneration	5	8,096	7,500
Bank charges		1,016	1,539
Depreciation		5,758	6,270
Donations and sponsorships		293,099	38,427
Employee expenses		319,617	351,628
Finance expenses		141	39
Freight, cartage and delivery		9,313	10,891
Insurance		19,538	26,492
IT expenses		15,609	18,308
Land and water rates		2,613	2,745
Other expenses		81,552	74,686
Postage, printing and stationery		7,217	6,665
Repairs and maintenance		3,621	6,231
Telephone and internet		3,898	2,353
Utilities		3,898	3,183
		897,510	656,802
<b>Profit before income tax for the year</b>		305,553	39,397
Income tax expense	2(a), 6	(75,359)	(10,534)
<b>Profit for the year</b>		230,194	28,863
Other comprehensive income for the year		-	-
<b>Total comprehensive income for the year</b>		230,194	28,863
Earnings per share (EPS)		\$0.33	\$0.04

The accompanying notes form part of these financial statements.

# Financial statements (continued)

## STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 \$	2022 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	7	644,375	439,966
Trade and other receivables	8	117,565	77,598
Prepayments		9,875	10,515
<b>TOTAL CURRENT ASSETS</b>		<u>771,814</u>	<u>528,079</u>
<b>NON-CURRENT ASSETS</b>			
Intangible assets	9	50,754	64,088
Property, plant and equipment	10	122,287	123,841
Deferred tax assets		12,222	15,876
<b>TOTAL NON-CURRENT ASSETS</b>		<u>185,264</u>	<u>203,805</u>
<b>TOTAL ASSETS</b>		<u>957,077</u>	<u>731,884</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	159,560	115,906
Employee benefits	12	23,675	41,341
<b>TOTAL CURRENT LIABILITIES</b>		<u>183,234</u>	<u>157,247</u>
<b>NON-CURRENT LIABILITIES</b>			
Employee benefits	12	13,354	9,938
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>13,354</u>	<u>9,938</u>
<b>TOTAL LIABILITIES</b>		<u>196,589</u>	<u>167,185</u>
<b>NET ASSETS</b>		<u>760,488</u>	<u>564,699</u>
<b>EQUITY</b>			
Issued capital	13	688,108	688,108
Retained profits (Accumulated losses)		72,380	(123,409)
<b>TOTAL EQUITY</b>		<u>760,488</u>	<u>564,699</u>

The accompanying notes form part of these financial statements.

## Financial statements (continued)

### STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
<b>RETAINED PROFITS</b>		
<b>Accumulated losses at the beginning of the year</b>	(123,409)	(117,870)
Profit for the year	230,194	28,863
Ordinary dividends paid during the year	(34,405)	(34,405)
<b>Retained profits (Accumulated losses) at the end of the year</b>	<u>72,380</u>	<u>(123,409)</u>
<b>ISSUED CAPITAL</b>		
<b>Issued capital at the beginning of the year</b>	688,108	688,108
Net movement in issued capital during the year	-	-
<b>Issued capital at the end of the year</b>	<u>688,108</u>	<u>688,108</u>
<b>TOTAL EQUITY</b>	<u><u>760,488</u></u>	<u><u>564,699</u></u>

The accompanying notes form part of these financial statements.

# Financial statements (continued)

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 \$	2022 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from customers		1,163,096	698,891
Payments to suppliers and employees		(919,476)	(685,739)
Income tax instalments paid		(602)	(7,193)
<b>Net cash provided by operating activities</b>	14	243,018	5,959
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchase of property, plant and equipment		(4,204)	(3,624)
<b>Net cash used in investing activities</b>		(4,204)	(3,624)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Dividends paid to shareholders		(34,405)	(34,405)
<b>Net cash used in financing activities</b>		(34,405)	(34,405)
<b>Net increase (decrease) in cash and cash equivalents held</b>		204,409	(32,068)
Cash and cash equivalents at beginning of year		439,966	472,034
<b>Cash and cash equivalents at end of financial year</b>	7	644,375	439,966

The accompanying notes form part of these financial statements.

# Notes to the financial statements

## FOR THE YEAR ENDED 30 JUNE 2023

The financial report covers Murrumboola Financial Services Limited as an individual entity. Murrumboola Financial Services Limited is a for-profit Company limited by shares, incorporated and domiciled in Australia.

The functional and presentation currency of Murrumboola Financial Services Limited is Australian dollars (\$AUD) and the amounts presented have been rounded to the nearest dollar.

The financial report was authorised for issue by the Directors on 25 September 2023.

### 1 BASIS OF PREPARATION

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards and the *Corporations Act 2001*.

These financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The financial statements have been prepared on an accruals basis and are based on historical costs.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) Income Tax

The Company qualifies as a base rate entity and is eligible for the lower tax rate of 25.0%.

The income tax benefit recognised in the statement of profit or loss and other comprehensive income comprises current income tax plus deferred tax.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

# Notes to the financial statements (continued)

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## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### (b) Revenue and other income

#### Revenue from contracts with customers

The core principle of AASB 15 *Revenue from Contracts with Customers* is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

#### Specific revenue streams

The Company operates a franchise (branch) of Bendigo and Adelaide Bank Limited (the Bank) trading as Harden Murrumburrah Community Bank of Bendigo Bank. In accordance with the Franchise Agreement, the Company operates under the Bank's Australian Financial Services Licence (AFSL) and subsequently receives a profit share of the following revenue streams:

- Fee income;
- Gross margin income;
- Market development fund income;
- Trailer product commission; and
- Upfront product commission.

#### Profit share revenue

The Company receives a net profit share (income and expenses) from the Bank on a monthly basis. The net profit share is contingent on the Company's monthly performance as outlined in the Franchise Agreement. The net profit share is received within one (1) month from month end and recognised as revenue within the month to which the profit share performance obligations were satisfied, on a gross basis.

#### Other revenue

Other revenue is recognised on an accruals basis when the Company has satisfied its performance obligations.

### (c) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated as inclusive of GST.

Cash flows in the statement of cash flows are included on an exclusive basis and the GST component of cash flows arising from investing and financing activities which are recoverable from, or payable to the taxation authority is classified as operating cash flows.

# Notes to the financial statements (continued)

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### (d) Property, plant and equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment.

Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

#### Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Company, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Buildings	2.5%
Plant and Equipment	5% - 20%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

### (e) Financial instruments

Financial instruments are recognised initially on the date that the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

#### Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### Classification

On initial recognition, the Company classifies its financial assets as those measured at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

#### Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



# Notes to the financial statements (continued)

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## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### (e) Financial instruments

#### Financial assets

The Company's financial assets measured at amortised cost comprise trade and other receivables, cash and cash equivalents in the Statement of Financial Position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other income.

#### Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for financial assets measured at amortised cost.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset that is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

#### Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 that uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivables and multiplied this by the amount of the expected loss arising from any default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised as a finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

# Notes to the financial statements (continued)

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## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### (e) Financial instruments

#### Financial assets

##### *Other financial assets measured at amortised cost*

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

#### Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequent financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade payables and overdraft facilities when in use.

### (f) Impairment of non-financial assets

At the end of each reporting period the Directors determine whether there is evidence of an impairment indicator for non-financial assets.

Where this indicator exists and regardless of indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets that have suffered an impairment loss.

### (g) Intangible assets - franchise fees

Franchise fees are initially recognised at cost when acquired. Franchise fees have a finite useful life of five (5) years and are subsequently recognised and measured at cost less accumulated amortisation. Franchise fees are amortised over their useful life of five (5) years.

During the prior year ended 30 June 2022, the Company renewed its franchise fee for a further five year period ending on 11 March 2027.

### (h) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank that is readily convertible to known amounts of cash and subject to an insignificant risk of change in value.

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position to the extent they have been utilised at year end.

### (i) Employee benefits

A liability is made for the Company's employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

# Notes to the financial statements (continued)

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## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### (i) Employee benefits

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits.

### (j) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

### (k) Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

### (l) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options that vest immediately are recognised as a deduction from equity, net of any tax effects.

### (m) Adoption of new and revised accounting standards

The Company has adopted all standards that became effective for the first time at 30 June 2023, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

## 3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Directors make estimates and judgments during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known, then the actual results may differ from the estimates. The significant estimates and judgements made have been described below.

### **Key estimates - impairment of property, plant and equipment**

The Company assesses impairment at the end of each reporting period by evaluating conditions specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations incorporating various key assumptions.

### **Key estimates - provisions**

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

### **Key estimates - receivables**

The receivables at the reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best available information at the reporting date.

# Notes to the financial statements (continued)

## 3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

### Key judgments - taxes

Determining income tax provisions involves judgment on the tax treatment of certain transactions. Deferred tax is recognised on tax losses not yet used and on temporary differences where it is probable that there will be taxable revenue against which these can be offset. Management has made judgments as to the probability of future taxable revenues being generated against which tax losses will be available for offset based on budgets, current and future expected economic conditions.

### Key judgments - Coronavirus (COVID-19) pandemic

Judgment has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

	2023 \$	2022 \$
<b>4 REVENUE AND OTHER INCOME</b>		
Revenue from contracts with customers		
- Profit share revenue	1,197,830	691,326
- Other revenue	4,727	4,727
	<u>1,202,557</u>	<u>696,054</u>
Other income		
- Interest received	506	145
	<u>506</u>	<u>145</u>
<b>Total revenue and other income</b>	<u><u>1,203,063</u></u>	<u><u>696,199</u></u>

## 5 AUDITOR'S REMUNERATION

Remuneration of the auditor National Audits Group Pty Ltd, for the:

- Audit of annual financial statements	4,596	4,500
- Review of interim financial statements*	3,500	3,000
<b>Total auditor's remuneration</b>	<u><u>8,096</u></u>	<u><u>7,500</u></u>

\* The auditor's remuneration reported above represents the fees paid during the respective period.

## Notes to the financial statements (continued)

	2023 \$	2022 \$
<b>6 INCOME TAX EXPENSE</b>		
Income tax expense	75,359	10,534
<b>Reconciliation of income tax to accounting profit:</b>		
Prima facie tax payable from ordinary activities before income tax at 25.0% (2022: 25%)	76,388	9,849
Net tax effect of:		
- non-deductible/non-assessable items	(4,683)	(1,232)
Taxable profit at 25.0% (2022: 25%)	71,705	8,617
Net tax effect of:		
- temporary differences	(3,654)	(1,917)
Income tax expense	75,359	10,534
<b>Net taxable income</b>	286,819	34,468
<b>7 CASH AND CASH EQUIVALENTS</b>		
CURRENT		
Cash at bank	644,375	439,966
<b>8 TRADE AND OTHER RECEIVABLES</b>		
CURRENT		
Profit share receivable	117,565	70,405
ATO receivable	-	7,193
	117,565	77,598
<b>9 INTANGIBLE ASSETS</b>		
NON-CURRENT		
Franchise Fee		
At cost	66,666	66,666
Accumulated amortisation	(15,911)	(2,578)
2 (g)	50,754	64,088

## Notes to the financial statements (continued)

	2023 \$	2022 \$
<b>10 PROPERTY, PLANT AND EQUIPMENT</b>		
NON-CURRENT		
Freehold land		
At cost	30,000	30,000
Buildings		
At cost	338,623	338,623
Accumulated depreciation	(264,139)	(260,189)
	<u>74,484</u>	<u>78,435</u>
Plant and equipment		
At cost	56,669	52,464
Accumulated depreciation	(38,866)	(37,057)
	<u>17,803</u>	<u>15,406</u>
<b>Total property, plant and equipment</b>	<u><u>122,287</u></u>	<u><u>123,841</u></u>

### Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Land \$	Buildings \$	Plant and Equipment \$	Total \$
<b>Year ended 30 June 2023</b>				
Balance at the beginning of year	30,000	78,435	15,406	123,841
Additions	-	-	4,204	4,204
Depreciation expense	-	(3,951)	(1,807)	(5,758)
<b>Balance at the end of the year</b>	<u><u>30,000</u></u>	<u><u>74,484</u></u>	<u><u>17,803</u></u>	<u><u>122,287</u></u>
<b>Year ended 30 June 2022</b>				
Balance at the beginning of year	30,000	79,360	17,127	126,488
Additions	-	3,261	363	3,624
Depreciation expense	-	(4,187)	(2,083)	(6,270)
<b>Balance at the end of the year</b>	<u><u>30,000</u></u>	<u><u>78,435</u></u>	<u><u>15,406</u></u>	<u><u>123,841</u></u>

2023 \$	2022 \$
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## 11 TRADE AND OTHER PAYABLES

### CURRENT

Accrued expenses	12,220	12,226
ATO payable	80,551	11,328
Franchise fee payable	44,000	58,666
Trade and profit share payables	22,789	33,687
	<u><u>159,560</u></u>	<u><u>115,906</u></u>

All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value.

## Notes to the financial statements (continued)

	<b>2023</b>
	<b>\$</b>
<b>12 EMPLOYEE BENEFITS</b>	
CURRENT	
Annual leave	10,841
Long service leave	12,834
	<u>23,675</u>
NON-CURRENT	
Long service leave	<u>13,354</u>
<b>13 ISSUED CAPITAL</b>	
	<u>688,108</u>

### Ordinary shares

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company. On a show of hands at meetings of the Company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote.

The Company does not have authorised capital or par value in respect of its shares.

### 14 CASH FLOW INFORMATION

Reconciliation of result for the year to net cash provided by operating activities:

Profit for the year	<u>230,194</u>	<u>28,863</u>
Non-cash flows in profit:		
- amortisation	13,333	2,578
- depreciation	5,758	6,270
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(39,967)	2,693
- (increase)/decrease in intangible assets	-	(66,666)
- (increase)/decrease in prepayments	640	(179)
- (increase)/decrease in deferred tax asset	3,654	(3,948)
- increase/(decrease) in trade and other payables	43,653	42,431
- increase/(decrease) in employee benefits	(14,248)	(6,085)
Cashflows provided by operating activities	<u>243,018</u>	<u>5,959</u>

# Notes to the financial statements (continued)

## 15 RELATED PARTIES

### **Key management personnel**

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director (whether executive or otherwise) of that entity are considered key management personnel. Key management personnel of the Company during the year were as follows:

Joy Rollason	Company Secretary: appointed April 2023
Susan McCarthy	Treasurer
Evelyn Shea	Director
Amy Mergard	Director
Judith McFadyen	Director
Zita McLeod	Director
Kelvin Brown	Director
Elizabeth Dean	(Branch Manager)
Michael Bickford	Chair: resigned June 2023
Roslyn Bickford	Company Secretary: resigned April 2023
Hugh Pavitt	Director: resigned November 2022

For details of remuneration disclosures relating to key management personnel, refer to Note 16: Key Management Remuneration. Other transactions with KMP and their related entities are shown below.

### **Related parties - share ownership**

The number of Shares in Murrumbidgee Financial Services Limited held during the reporting period by Directors and Key Management personnel, including their personally related parties, is set out below:

Susan McCarthy	15,001
Evelyn Shea	2,500
Amy Mergard	500
Hugh Pavitt	5,500
Michael & Roslyn Bickford	5,500
<b>Total</b>	<b>29,001</b>

### **Other Related parties - transactions**

Other related parties include close family members of Directors, Key Management personnel and entities that are controlled or significantly influenced by those Directors, Key Management personnel or their close family members.

Transactions with other related parties during the year were as follows:

- Michael and Roslyn Bickford purchased 5000 shares in Murrumbidgee Financial Services Limited.
- Hugh Pavitt purchased 500 shares in Murrumbidgee Financial Services Limited.
- Judith McFadyen is a Board member of Murrumbidgee-Harden Flexible Care Services Incorporated which received a sponsorship donation of \$3,000.
- Kelvin Brown is the Treasurer, Judith McFadyen is a Board member and Evelyn Shea is a Committee member of the Harden Country Club Limited which received a sponsorship donation of \$2,000.
- Hugh Pavitt is the Chairman of the Harden Art Prize Incorporated which received a sponsorship donation of \$10,000.
- Michael Bickford is a member of the Rotary Club of Murrumbidgee Harden which received sponsorship donations of \$6,900.
- Kelvin Brown is the Secretary/Treasurer of the Harden and District Junior Cricket Club Incorporated which received a sponsorship donation of \$800.
- Kelvin Brown is the Secretary/Treasurer of the Harden Cricket Club Incorporated which received a sponsorship donation of \$1,350.



# Notes to the financial statements (continued)

## **Other Related parties - transactions (cont'd)**

- Dividend payments totalling \$1,450.05 were received by related parties during the reporting period as set out below:

	\$
Susan McCarthy	750.05
Evelyn Shea	125.00
Amy Mergard	25.00
Hugh Pavitt	275.00
Michael & Roslyn Bickford	275.00
<b>Total</b>	<b>1,450.05</b>

## **Related parties - transactions**

Transactions between related parties are on normal commercial terms and conditions no more favourable to other parties unless otherwise stated.

## **16 KEY MANAGEMENT REMUNERATION**

The total remuneration paid to key management personnel of the Company during the year was \$106,018 (2022: \$101,970).

## **17 CONTINGENCIES**

The impact of the Coronavirus (COVID-19) pandemic continues to be ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The impacts of the pandemic are dependent on measures imposed by the Australian Government and other countries, such as continuing to maintain social distancing requirements, quarantine, travel restrictions, economic sanctions imposed and additional economic stimulus packages that may be provided. The Directors are also unable to reasonably predict the short-term and long-term impact the pandemic has, or will have, on consumer behaviour and confidence, which may affect the Company's current and future financial performance.

In the opinion of the Directors, the Company did not have any other contingencies at 30 June 2023 (30 June 2022: None).

## **18 DONATIONS**

The Company made a donation of \$250,000 to the Community Enterprise Foundation in April 2023. The Community Enterprise Foundation facilitates the distribution of funds through grants and scholarships to support local community initiatives.

## **19 COMMITMENTS**

During the prior financial year, the Company made a sponsorship commitment of \$10,000 per annum for a period of five (5) years to the Harden Art Show Incorporated for the Harden Murrumburrah Landscape Painting Prize.

## **20 EVENTS OCCURRING AFTER THE REPORTING DATE**

Evelyn Shea was appointed Chair at the Board meeting on 24 July 2023.

The financial report was authorised for issue on 25 September 2023 by the Board of Directors.

No other matters or circumstances (other than those disclosed under Note 17 Contingencies) have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

## **21 COMPANY DETAILS**

The registered office and principal place of business of the Company is:

Murrumbolla Financial Services Limited  
23 Neill Street  
HARDEN NSW 2587

# Directors' declaration

The Directors of Murrumbolla Financial Services Limited declare that:

1. The financial statements and notes, as set out on pages 5 to 21 are in accordance with the *Corporations Act 2001* and:

(a) comply with Australian Accounting Standard and the *Corporations Regulations 2001* ; and

(b) give a true and fair view of the financial position as at 30 June 2023 and of the performance of the Company for the year then ended.

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.

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

Director .....  


Joy Rollason

Dated: 29 September 2023

# Independent audit report



## MURRIMBOOLA FINANCIAL SERVICES LIMITED ABN: 12 118 357 467

### INDEPENDENT AUDITOR'S REPORT

### FOR THE YEAR ENDED 30 JUNE 2023

#### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Murrumbolla Financial Services Limited (the Company), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, *Corporations Regulation 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (ii) complying with the Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis 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. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001*, *Corporations Regulation 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, *Corporations Regulation 2001*, which has been given to the Directors of the Company, would be in the same terms if given to the Directors as at the time of this independent auditor's report.

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

#### Information Other than the Financial Report and Auditor's Report Thereon

The Directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, 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, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



**MURRIMBOOLA FINANCIAL SERVICES LIMITED**  
**ABN: 12 118 357 467**

**INDEPENDENT AUDITOR'S REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**Responsibilities of the Directors for the Financial Report**

The directors of the Company are responsible for the preparation of the financial report that 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 determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

**Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are 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 independent auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion.

Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



**MURRIMBOOLA FINANCIAL SERVICES LIMITED**  
ABN: 12 118 357 467

**INDEPENDENT AUDITOR'S REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**Auditor's Responsibilities for the Audit of the Financial Report (Continued)**

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**National Audits Group Pty Ltd**  
**Authorised Audit Company**

A handwritten signature in cursive script that reads 'Chang Chow'.

**Chang Chow**  
**Registered Company Auditor**

**Dated 29 September 2023**

**Wagga Wagga**

Community Bank · Harden Murrumburrah  
23 Neill Street, Harden NSW 2587  
Phone: 02 6386 5083 Fax: 02 6386 5110  
Email: [hardenmurrumburrahmailbox@bendigoadelaide.com.au](mailto:hardenmurrumburrahmailbox@bendigoadelaide.com.au)  
Web: [bendigobank.com.au/harden\\_murrumburrah](http://bendigobank.com.au/harden_murrumburrah)

Grenfell Agency  
Aston & Joyce, 124 Main Street, Grenfell NSW 2810  
Phone: 02 6343 1500

Franchisee: Murrumbidgee Financial Services Limited  
ABN: 12 118 357 467  
23 Neill Street, Harden NSW 2587  
Phone: 02 6386 5083 Fax: 02 6386 5110

 /communitybankhardenmurrumburrah

