

MURRIMBOOLA FINANCIAL SERVICES LIMITED

ABN: 12 118 357 467

INTERIM FINANCIAL REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2023

MURRIMBOOLA FINANCIAL SERVICES LIMITED

ABN: 12 118 357 467

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MURRIMBOOLA FINANCIAL SERVICES LIMITED

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DIRECTOR'S REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2023

The Directors present their interim report together with the financial statements of Murrimboola Financial Services Limited for the half-year ended 31 December 2023 and the auditor's review report thereon.

Information on Directors

The Directors in office during the reporting period were:

- Evelyn Shea;
- Susan McCarthy;
- Judith McFadyen;
- Amy Mergard;
- Zifa McLeod;
- Kelvin Brown; and
- Amanda Jones (appointed November 2023).

Significant changes in state of affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of the Company during the half-year under review.

Principal activity

The principal activity of Murrimboola Financial Services Limited during the half-year was providing Community Bank services under management rights to operate a franchised branch of Bendigo and Adelaide Bank Limited. There were no significant changes in the nature of Murrimboola Financial Services Limited's principal activities during the half-year ended 31 December 2023.

Events subsequent to balance date

In the opinion of the Directors, there have been no items, transactions or events of material or unusual nature between the end of the half-year and the date of this report, that would substantially affect the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial periods.

Operating results

Operations have continued to perform in line with expectations. The profit of the Company for the half-year ended 31 December 2023 amounted to \$168,567, after providing for income tax (2022: \$164,582).

The Reserve Bank of Australia (RBA) increased the cash rate by 2.25% during the previous period moving from 0.85% to 3.10% at 31 December 2022. Since then the cash rate has increased by 1.25% to 4.35% as at 31 December 2023. The increased cash rate has had a direct impact on the revenue received by the Company, increasing the net interest margin income received under the revenue share arrangement the Company has with Bendigo Bank.

While the cash rate has increased, from 1 July 2023 Bendigo Bank updated the Funds Transfer Pricing (FTP) base rate on certain deposits which has impacted the income earned on these products.

Dividends paid or recommended

An unfranked dividend of \$41,286 (\$0.06 per share) was paid to shareholders in January 2024 as recommended by the Board during the half-year ended 31 December 2023.

MURRIMBOOLA FINANCIAL SERVICES LIMITED

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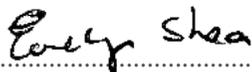
DIRECTOR'S REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2023

Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the half-year ended 31 December 2023 has been received and can be found on page 3 of the interim financial report.

This report is signed in accordance with a resolution of the Board of Directors.

Director: .....
Evelyn Shea

Dated: 12 March 2024



Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550
ABN: 65 684 604 390
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(03) 5443 0344

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

We declare that, to the best of our knowledge and belief, for the half-year ended 31 December 2023 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.

A handwritten signature in black ink, appearing to read 'Andrew Frewin Stewart', is positioned above the printed name.

Andrew Frewin Stewart
61 Bull Street, Bendigo Vic 3550
Dated: 12 March 2024

A handwritten signature in black ink, appearing to read 'Joshua Griffin', is positioned above the printed name.

Joshua Griffin
Lead Auditor

MURRIMBOOLA FINANCIAL SERVICES LIMITED

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INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF YEAR ENDED 31 DECEMBER 2023

	Note	31 December 2023 \$	31 December 2022 \$
Income			
Revenue from contracts with customers	6	570,637	546,716
Interest received		2,561	144
		<u>573,198</u>	<u>546,861</u>
Less: Expenses			
Advertising and promotion expenses		(1,648)	(1,795)
Agent Commission		(52,023)	(52,802)
Depreciation and amortisation expense		(9,511)	(7,283)
General administrative expenses		(79,835)	(58,227)
Occupancy and associated expenses		(6,551)	(6,098)
Salaries and employee benefits expense		(165,349)	(161,092)
System expenses		(7,645)	(7,715)
		<u>(322,562)</u>	<u>(295,012)</u>
Profit before community contributions and income tax		<u>250,635</u>	<u>251,849</u>
Charitable donations and sponsorships		(26,000)	(32,407)
Profit before income tax		<u>224,635</u>	<u>219,442</u>
Income tax expense		(56,068)	(54,861)
Profit after income tax		<u>168,567</u>	<u>164,582</u>
Total comprehensive income for the half-year		<u>168,567</u>	<u>164,582</u>
Earnings per share			
- Basic and diluted earnings per share		<u>\$ 0.24</u>	<u>\$ 0.24</u>

The accompanying notes form part of these interim financial statements.

MURRIMBOOLA FINANCIAL SERVICES LIMITED

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INTERIM STATEMENT OF FINANCIAL POSITION

FOR THE HALF YEAR ENDED 31 DECEMBER 2023

	31 December 2023 \$	30 June 2023 \$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	894,026	644,375
Trade and other receivables	106,120	117,565
Prepayments	5,412	9,875
TOTAL CURRENT ASSETS	<u>1,005,558</u>	<u>771,815</u>
NON-CURRENT ASSETS		
Intangible assets	44,088	50,754
Property, plant and equipment	119,443	122,287
Deferred tax assets	10,307	12,222
TOTAL NON-CURRENT ASSETS	<u>173,838</u>	<u>185,263</u>
TOTAL ASSETS	<u>1,179,396</u>	<u>957,077</u>
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	151,369	67,309
Current tax liabilities	79,067	62,917
Employee benefits	31,495	23,675
TOTAL CURRENT LIABILITIES	<u>261,931</u>	<u>153,900</u>
NON-CURRENT LIABILITIES		
Trade and other payables	29,334	29,334
Employee benefits	363	13,354
TOTAL NON-CURRENT LIABILITIES	<u>29,697</u>	<u>42,688</u>
TOTAL LIABILITIES	<u>291,628</u>	<u>196,589</u>
NET ASSETS	<u>887,768</u>	<u>760,488</u>
EQUITY		
Issued capital	688,108	688,108
Retained earnings	199,660	72,380
TOTAL EQUITY	<u>887,768</u>	<u>760,488</u>

The accompanying notes form part of these interim financial statements.

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INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED 31 DECEMBER 2023

	31 December 2023	31 December 2022
	\$	\$
Retained earnings/(Accumulated losses) at the beginning of the period	72,380	(123,409)
Profit for the half-year	168,567	164,582
Ordinary dividends for the period	(41,286)	(34,405)
Retained earnings at the end of the period	<u>199,660</u>	<u>6,767</u>
Issued capital at the beginning of the period	688,108	688,108
Net movement in issued capital during the period	-	-
Issued capital at the end of the period	<u>688,108</u>	<u>688,108</u>
TOTAL EQUITY	<u><u>887,768</u></u>	<u><u>694,875</u></u>

The accompanying notes form part of these interim financial statements.

MURRIMBOOLA FINANCIAL SERVICES LIMITED

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INTERIM STATEMENT OF CASH FLOWS

FOR THE HALF YEAR ENDED 31 DECEMBER 2023

	31 December 2023	31 December 2022
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from profit share	641,706	564,932
Payments to suppliers and employees	(387,575)	(373,427)
Interest received	-	144
Income taxes paid	(4,480)	(11,086)
Net cash provided by operating activities	<u>249,651</u>	<u>180,564</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	-	(2,277)
Net cash used in investing activities	<u>-</u>	<u>(2,277)</u>
Net increase in cash held	249,651	178,287
Cash at the beginning of the financial period	644,375	439,966
Cash at the end of the financial period	<u>894,026</u>	<u>618,253</u>

The accompanying notes form part of these interim financial statements.

MURRIMBOOLA FINANCIAL SERVICES LIMITED

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NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2023

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

Note 1. Summary of significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by the company during the period.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

The amounts presented in the financial statements have been rounded to the nearest dollar. Minor discrepancies in tables between totals and sum of components are due to rounding.

Note 2. Events subsequent to reporting date

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.

Note 3. Contingent assets and liabilities

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

Note 4. Segment reporting

The economic entity operates in the service sector where it facilitates community banking services pursuant to a franchise agreement with Bendigo and Adelaide Bank Limited. The economic entity operates in one geographic area being Harden and surrounding districts of New South Wales.

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INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF YEAR ENDED 31 DECEMBER 2023

Note 5. Related parties

Related parties - share ownership

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

- Evelyn Shea	2,500
- Susan McCarthy	15,001
- Amy Mergard	500
Total	18,001

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 reporting period were as follows:

- Judith McFadyen is Chairperson of the Murrumburrah-Harden Flexible Care Services Inc which received a sponsorship donation of \$8,600.

Related parties - transactions

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

Note 6. Revenue from contracts with customers

	31 December 2023 \$	31 December 2022 \$
Margin income	492,001	453,007
Fee income	21,769	22,004
Commission income	56,866	66,706
Revenue from contracts with customers	<u>570,637</u>	<u>541,716</u>

Note 7. Dividends

Dividends provided for during the period

	31 December 2023 cents	31 December 2023 \$	31 December 2022 cents	31 December 2022 \$
Unfranked dividend	0.06	41,286	0.05	34,405
Total dividends provided for during the period	<u>0.06</u>	<u>41,286</u>	<u>0.05</u>	<u>34,405</u>

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INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF YEAR ENDED 31 DECEMBER 2023

Note 8. Commitments

31 December 2023	30 June 2023
\$	\$

Capital Commitments

Committed at the reporting date but not recognised as liabilities, payable:

Branch renovations

24,850	-
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During the half-year ended 31 December 2023, the Company accepted a quote from Gary White for the renovation of the branch kitchen and bathroom. The total cost to the Company is \$24,850 and at 31 December 2023 no cost had been incurred on the project.

MURRIMBOOLA FINANCIAL SERVICES LIMITED

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DIRECTOR'S DECLARATION

FOR THE HALF YEAR ENDED 31 DECEMBER 2023

In the opinion of the directors of Murrimboola Financial Services Limited ("the Company"):

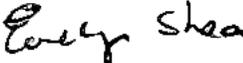
1. The interim financial statements and notes there to are in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the financial position of the Company as at 31 December 2023 and of its performance, as represented by the results of its operations and cash flows for the half-year then ended;

(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.

Director 
Evelyn Shea

Dated: 12 March 2024



Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550
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afs@afsbendigo.com.au
(03) 5443 0344

Independent auditor's review report to the Directors of Murrumbidgee Financial Services Limited

Report on the half-year financial report

Conclusion

We have reviewed the half-year financial report of Murrumbidgee Financial Services Limited (the company), which comprises the statement of financial position as at 31 December 2023, 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, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the accompanying half-year financial report of Murrumbidgee Financial Services Limited does not present fairly, in all material respects, the company's financial position at 31 December 2023, and of its financial performance and its cash flows for the half-year ended on that date, in accordance with the *Corporations Act 2001* and Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410: *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review 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* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual 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* 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 auditor's review report.

Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with the Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the of the half-year financial report that is free from material misstatement, whether due to fraud error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the half-year financial report does not present fairly, in all material respects in accordance with the *Corporations Act 2001* including giving a true and fair view of the company's financial position as at 31 December 2023 and its performance for the half-year ended on that date, in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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.



Andrew Frewin Stewart
61 Bull Street, Bendigo VIC 3550
Dated: 12 March 2024



Joshua Griffin
Lead Auditor