

MURRIMBOOLA FINANCIAL SERVICES LIMITED

ABN: 12 118 357 467

INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

MURRIMBOOLA FINANCIAL SERVICES LIMITED

ABN: 12 118 357 467

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MURRIMBOOLA FINANCIAL SERVICES LIMITED

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DIRECTORS' REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

The Directors present their interim financial report together with the accounts of Murrumbolla Financial Services Limited for the half-year ended 31 December 2018 and the auditor's review report thereon.

Information on Directors

The Directors in office at the date of this interim report are:

- Hugh Pavitt
- John McFadyen
- Evelyn Shea
- Susan McCarthy
- Geoffrey Orchison
- Kellie Forsyth
- Michael Bickford
- Janice Ryan
- Gregory Sanderson

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 Murrumbolla Financial Services Limited during the half-year was providing community banking services under management rights to operate a franchised branch of Bendigo and Adelaide Bank Limited.

There were no significant changes in the nature of Murrumbolla Financial Services Limited's principal activities during the half-year ended 31 December 2018.

Events subsequent to balance date

In the opinion of the Directors, there has been no item, transaction or event 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

The profit of the Company for the half-year ended 31 December 2018 amounted to \$42,270, after providing for income tax (2017: \$55,879).

Dividends paid or recommended

An unfranked dividend of \$34,405 (\$0.05 per share) was paid to shareholders in January 2019 as recommended by the Board during the half-year ended 31 December 2018.

MURRIMBOOLA FINANCIAL SERVICES LIMITED

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DIRECTORS' REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

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 2018 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:

Hugh Pavitt

Dated 5 March 2019

MURRIMBOOLA FINANCIAL SERVICES LIMITED
ABN: 12 118 357 467

AUDITOR'S INDEPENDENCE DECLARATION
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

As lead auditor for the review of Murrumbolla Financial Services Limited for the half-year ended 31 December 2018, we declare that, to the best of our knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

National Audits Group Pty Ltd
Authorised Audit Company



Steven J Watson
Managing Director

Wagga Wagga

Dated 5 March 2019

MURRIMBOOLA FINANCIAL SERVICES LIMITED

ABN: 12 118 357 467

INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

	31 December 2018	31 December 2017
	\$	\$
Revenue	424,051	407,907
Advertising and promotion expenses	(5,612)	(5,002)
Depreciation and amortisation expenses	(9,969)	(9,091)
General administration expenses	(105,229)	(101,961)
Interest expense	(1,950)	(2,116)
Occupancy and associated expenses	(8,016)	(7,955)
Salaries and employee benefits expense	(181,244)	(194,538)
System expenses	(10,320)	(9,761)
Profit before income tax for the half-year	101,711	77,483
Income tax expense	(59,441)	(21,604)
Other comprehensive income for the half-year	-	-
Total comprehensive income for the half-year	42,270	55,879

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 2018

	31 December 2018 \$	30 June 2018 \$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	246,755	172,243
Trade and other receivables	75,855	77,140
Other assets	2,609	6,420
TOTAL CURRENT ASSETS	325,219	255,803
NON-CURRENT ASSETS		
Property, plant and equipment	118,629	109,082
Deferred tax assets	94,613	154,054
Intangible assets	37,691	45,229
TOTAL NON-CURRENT ASSETS	250,933	308,365
TOTAL ASSETS	576,152	564,168
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	123,418	115,797
Borrowings	58,017	60,580
Employee benefits	37,290	38,797
TOTAL CURRENT LIABILITIES	218,725	215,174
NON-CURRENT LIABILITIES		
Employee benefits	2,808	2,240
TOTAL NON-CURRENT LIABILITIES	2,808	2,240
TOTAL LIABILITIES	221,533	217,414
NET ASSETS	354,619	346,754
EQUITY		
Issued capital	688,108	688,108
Accumulated losses	(333,489)	(341,354)
TOTAL EQUITY	354,619	346,754

The accompanying notes form part of these interim financial statements.

MURRIMBOOLA FINANCIAL SERVICES LIMITED

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INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

	31 December 2018 \$	30 June 2018 \$
Accumulated losses at the beginning of the period	(341,354)	(467,052)
Profit for the period	42,270	153,222
Ordinary dividends for the period	(34,405)	(27,524)
Accumulated losses at the end of the period	<u>(333,489)</u>	<u>(341,354)</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>354,619</u></u>	<u><u>346,754</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 2018

	31 December 2018	31 December 2017
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	488,588	431,506
Payments to suppliers and employees	(397,585)	(344,417)
Interest paid	(1,950)	(2,116)
Net cash provided by operating activities	3(b) <u>89,053</u>	<u>84,973</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(11,978)	-
Net cash used by investing activities	<u>(11,978)</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of borrowings	(2,563)	(2,398)
Net cash provided used in financing activities	<u>(2,563)</u>	<u>(2,398)</u>
Net increase in cash held	74,512	82,575
Cash at the beginning of the financial period	172,243	13,658
Cash at the end of the financial period	3(a) <u><u>246,755</u></u>	<u><u>96,233</u></u>

The accompanying notes form part of these interim financial statements.

MURRIMBOOLA FINANCIAL SERVICES LIMITED

ABN: 12 118 357 467

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

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.

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

The interim financial report was authorised for issue by the Directors on 5 March 2019

Comparatives are consistent with prior years, unless otherwise stated.

1 BASIS OF PREPARATION

This condensed interim financial report for the half-year ended 31 December 2018 has been prepared in accordance with the requirements of the *Corporations Act 2001*, *Corporations Regulations 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*.

The interim financial report is intended to provide users with a half-year update on the financial position and financial performance of Murrimboola Financial Services Limited. As such it does not contain information that represents relatively insignificant changes occurring during the half-year within Murrimboola Financial Services Limited. This condensed financial report does not include all the notes normally included in an annual financial report. It is therefore recommended that this condensed financial report be read in conjunction with the annual financial statements of Murrimboola Financial Services Limited for the year ended 30 June 2018, together with any public announcements made during the half-year.

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.

The half-year financial report has been prepared on an accruals basis and is based on historical costs.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Related parties

Arrangements with related parties continue to be in place. For details on these arrangements, refer to the 30 June 2018 annual financial report.

(b) 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.

(c) Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2018 (31 December 2017: None).

(d) Events occurring after the reporting date

An unfranked dividend of \$34,405 (\$0.05 per share) was paid to shareholders in January 2019 as recommended by the Board during the half-year ended 31 December 2018.

No other matters or circumstances have arisen since the end of the half-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 periods.

MURRIMBOOLA FINANCIAL SERVICES LIMITED

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NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

3 CASH FLOW INFORMATION

(a) Reconciliation of cash

The comparative information shown in respect of cash and cash equivalents in the interim statement of financial position is as at 30 June 2018. For the purpose of the interim statement of cash flows, cash and cash equivalents as at 31 December includes the following:

	31 December 2018	31 December 2017
	\$	\$
- Cash and cash equivalents	246,755	96,233

(b) Reconciliation of profit for the half-year to cash flows from operating activities

Profit for the half-year	42,270	55,879
Non-cash flows in profit from ordinary activities:		
- depreciation and amortisation	9,969	9,071
- dividends declared	(34,405)	-
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	1,285	(8,815)
- (increase)/decrease in other assets	3,811	(7,976)
- (increase)/decrease in deferred tax assets	59,441	32,381
- increase/(decrease) in trade and other payables	7,621	(3,748)
- increase/(decrease) in employee benefits	(939)	8,181
Cash inflow from operating activities	89,053	84,973

MURRIMBOOLA FINANCIAL SERVICES LIMITED

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DIRECTORS' DECLARATION

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

The Directors of Murrumbolla Financial Services Limited declare that:

1. The interim financial statements and notes, as set out on pages 4 to 9 are in accordance with the *Corporations Act 2001* and *Corporations Regulations Act 2001*, including:
 - (a) complying with Australian Accounting Standard AASB 134: *Interim Financial Reporting*; and
 - (b) presenting a true and fair view of the Company's financial position as at 31 December 2018 and of its performance for the half-year ended on that date.
2. In the Directors opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Director

Hugh Pavitt

Dated 5 March 2019

MURRIMBOOLA FINANCIAL SERVICES LIMITED

ABN: 12 118 357 467

INDEPENDENT AUDITOR'S REVIEW REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Murrumbolla Financial Services Limited, which comprises the condensed interim statement of financial position as at 31 December 2018, the condensed interim statement of profit or loss and other comprehensive income, the condensed interim statement of changes in equity and the condensed interim 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 Standard AASB 134: *Interim Financial Reporting*, *Corporations Act 2001*, and *Corporations Regulations 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

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 Australian 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 financial report is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Company's financial position as at 31 December 2018 and its performance for the half-year ended on that date; and
- (b) complying with Australian Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

As the auditor of Murrumbolla 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 other 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.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the Directors of Murrumbolla Financial Services Limited, would be in the same terms if given to the Directors as at the time of this auditor's review report.

MURRIMBOOLA FINANCIAL SERVICES LIMITED
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INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

Conclusion

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 Murrumbolla 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 as at 31 December 2018 and of its performance for the half-year ended on that date; and
- (b) complying with Australian Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

National Audits Group Pty Ltd
Authorised Audit Company



Steven J Watson
Managing Director

Wagga Wagga

Date 5 March 2019