

# Harbord Financial Services Limited

ABN: 25 097 282 525

Financial Statements

For the half-year ended

31 December 2017

# Harbord Financial Services Limited

## Directors' Report

Your directors submit the financial report of the company for the half-year ended 31 December 2017.

### Directors

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

Trevor Leslie Sargeant  
John Vaccaro  
Ian John Greentree  
David James Irvine  
Martin Edwin Brook  
Noela Rose Roberts  
Denise Faith Goldstein  
Peter Eric Harley  
Anthony Curtiss Bevan  
Julie Clare Rigoni

### Principal activities

The principal activities of the company during the financial year were facilitating **Community Bank®** services under management rights to operate a franchised branch of Bendigo and Adelaide Bank Limited.

### Review of operations

Operations have continued to perform in line with expectations. The net profit of the company for the financial period after the provision of income tax was:

Half-year ended 31 December 2017	Half-year ended 31 December 2016
\$ 136,669	\$ 143,549

### Events after the end of the reporting period


There are no matters or circumstances that have arisen since the end of the half-year reporting period that have significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company.

### Auditor's independence declaration

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 2.

Signed in accordance with a resolution of the directors at Freshwater, New South Wales on 27 February 2018.

Chairman \_\_\_\_\_

  
Trevor Leslie Sargeant

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

We declare that, to the best of our knowledge and belief, for the half-year ended 31 December 2017 there have been no contraventions of:

- i. the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review
- ii. any applicable code of professional conduct in relation to the review.



**Andrew Frewin Stewart**  
61 Bull Street, Bendigo Vic 3550  
Dated: 27 February 2018



**Graeme Stewart**  
Lead Auditor

# Harbord Financial Services Limited

## Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2017

	2017	2016
	\$	\$
Revenue from ordinary activities	712,831	675,650
Employee benefits expense	(279,890)	(253,916)
Charitable donations, sponsorship, advertising and promotion	(80,543)	(84,656)
Occupancy and associated costs	(82,404)	(67,875)
Systems costs	(11,278)	(9,937)
Depreciation and amortisation expense	(14,258)	(18,406)
General administration expenses	(55,749)	(42,765)
<b>Profit before income tax</b>	<b>188,709</b>	<b>198,095</b>
Income tax expense	(52,040)	(54,546)
<b>Profit after income tax</b>	<b>136,669</b>	<b>143,549</b>
<b>Total comprehensive income for the half-year attributable to the ordinary shareholders of the company:</b>	<b>136,669</b>	<b>143,549</b>
<b>Earnings per Share</b>	<b>¢</b>	<b>¢</b>
Basic earnings per share:	19.72	20.71

# Harbord Financial Services Limited

## Balance Sheet

As at 31 December 2017

	31-Dec-2017	30-Jun-2017
	\$	\$
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	26,936	4,034
Trade and other receivables	32,632	43,724
<b>Total current assets</b>	<b>59,568</b>	<b>47,758</b>
<b>Non-current assets</b>		
Property, plant and equipment	29,328	32,769
Intangible assets	27,223	34,029
Deferred tax assets	165,501	175,794
Financial assets	-	-
<b>Total non-current assets</b>	<b>222,052</b>	<b>242,592</b>
<b>TOTAL ASSETS</b>	<b>281,620</b>	<b>290,350</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables	(7,966)	9,748
Current tax liabilities	-	-
Provisions	52,512	48,579
<b>Total current liabilities</b>	<b>85,875</b>	<b>102,320</b>
<b>Non-current liabilities</b>		
Trade and other payables	36,934	36,934
Provisions	1,152	955
<b>Total non-current liabilities</b>	<b>155,086</b>	<b>174,210</b>
<b>TOTAL LIABILITIES</b>	<b>240,961</b>	<b>276,530</b>
<b>NET ASSETS</b>	<b>40,659</b>	<b>13,820</b>
<b>EQUITY</b>		
Issued capital	522,073	522,073
Accumulated losses	(440,889)	(508,252)
<b>TOTAL EQUITY</b>	<b>81,184</b>	<b>13,821</b>

# Harbord Financial Services Limited

## Statement of Changes in Equity

For the half-year ended 31 December 2017

	Note	Issued Capital \$	Accumulated losses \$	Total Equity \$
<b>Balance at 1 July 2016</b>		522,073	(542,447)	(20,374)
Total comprehensive income for the half-year		-	10,765	10,765
<b>Transactions with owners in their capacity as owners:</b>				
Shares issued during period		-	-	-
Costs of issuing shares		-	-	-
Dividends provided for or paid	6	-	-	-
<b>Balance at 31 December 2016</b>		<b>522,073</b>	<b>(531,682)</b>	<b>(9,609)</b>
<b>Balance at 1 July 2017</b>		522,073	(508,252)	13,821
Total comprehensive income for the half-year		-	26,837	26,837
<b>Transactions with owners in their capacity as owners:</b>				
Shares issued during period		-	-	-
Costs of issuing shares		-	-	-
Dividends provided for or paid	6	-	-	-
<b>Balance at 31 December 2017</b>		<b>522,073</b>	<b>(481,415)</b>	<b>40,658</b>

# Harbord Financial Services Limited

## Statement of Cash Flows

For the half-year ended 31 December 2017

	2017	2016
	\$	\$
<b>Cash flows from operating activities</b>		
Receipts from customers	1,088,956	708,128
Payments to suppliers and employees	(882,933)	(526,822)
Interest received	2,768	33
Income taxes paid	(8,460)	(103)
<b>Net cash provided by operating activities</b>	<b>200,331</b>	<b>181,236</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(2,235)	(5,954)
<b>Net cash used in investing activities</b>	<b>(2,235)</b>	<b>(5,954)</b>
<b>Net increase in cash held</b>	<b>198,096</b>	<b>175,282</b>
Cash and cash equivalents at the beginning of the financial year	850,104	564,998
<b>Cash and cash equivalents at the end of the half-year</b>	<b>1,048,200</b>	<b>740,280</b>

# Harbord Financial Services Limited

## Notes to the Financial Statements

For the half-year ended 31 December 2017

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### Note 1. Summary of significant accounting policies

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#### Statement of compliance

The half-year financial statements are a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard *AASB 134: Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard *IAS 34: Interim Financial Reporting*.

#### Basis of preparation

The half-year financial report is intended to provide users with an update on the latest annual financial statements and does not include all the notes of the type normally included in an annual financial report. Accordingly the report shall be read in conjunction with the annual financial report for the year ended 30 June 2017 and any public announcements made by the company during the period.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements and the previous corresponding interim period.

The half-year financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

There are no new and revised Accounting Standards or amendments thereof or interpretations effective for the current reporting period relevant to the company that were not disclosed in the annual financial report for the year ended 30 June 2017.

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### Note 2. Events subsequent to reporting date

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There have been no events subsequent to reporting date that would materially affect the financial statements at the reporting date.

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### Note 3. Contingent assets and liabilities

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There were no contingent assets or liabilities at the date of this report to affect the financial statements.

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### Note 4. Segment reporting

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The economic entity operates in a single service sector where it facilitates community banking services in Harbord, New South Wales pursuant to a franchise agreement with Bendigo and Adelaide Bank Limited.

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### Note 5. Related parties

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Arrangements with related parties continue to be in place. For details on these arrangements, refer to the 30 June 2017 annual financial report.

Note 6. Issued capital	2017		2016	
	Cents	\$	Cents	\$
Dividend declared in the period and recognised as a liability: 100% fully franked (2016: 100%)	10.00	69,306	7.00	48,514

The tax rate at which dividends have been franked is 27.5 (2016: 27.5%).



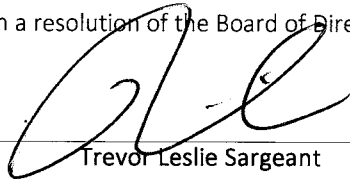
# Harbord Financial Services Limited Directors' Declaration

In the opinion of the directors of Harbord Financial Services Limited ("the company"):

1. The financial statements and notes thereto are in accordance with the *Corporations Act 2001* including:
  - a. giving a true and fair view of the financial position of the entity as at 31 December 2017 and of its performance, as represented by the results of its operations and cash flows for the half-year ended on that date;
  - b. complying with Australian Accounting Standard *AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*; and
2. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

Chairman



Trevor Leslie Sargeant

Dated this

27th

day of

February

2018.

## **Independent auditor's review report to the members of Harbord Financial Services Limited**

### **Report on the half-year financial report**

We have reviewed the accompanying half-year financial report of Harbord Financial Services Limited, which comprises the balance sheet as at 31 December 2017, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

### **Directors' responsibility for the half-year financial report**

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **Auditor's responsibility**

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410: Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

As the auditor of Harbord 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*.

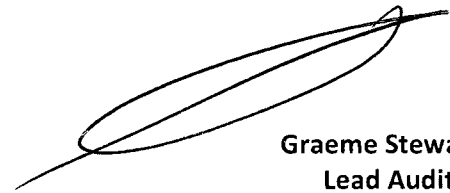
### **Auditor's opinion**

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 Harbord Financial Services Limited is not in accordance with the *Corporations Act 2001* including:

- a. giving a true and fair view of the company's financial position at 31 December 2017 and of its performance for the half-year ended on that date
- b. complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.



**Andrew Frewin Stewart**  
61 Bull Street, Bendigo Vic 3550  
Dated: 27 February 2018



**Graeme Stewart**  
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](mailto:afs@afsbendigo.com.au)



[afsbendigo.com.au](http://afsbendigo.com.au)