

**Murrumboola Financial Services Limited**  
**ABN 12 118 357 467**

Financial Statements  
For the year ended 30 June 2006

**Grant L Pearce - Chartered Accountant**  
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**Murrumboola Financial Services Ltd ABN 12 118 357 467**  
**Directors' Report**

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Your Directors submit their report of the company for the financial year ended 30 June 2006.

**Directors**

The names and details of the company's directors who held office during or since the end of the financial year are:

Brenden Robert McKay Chairman Businessman	Susan McCarthy Treasurer Farm Office Manager
Tony Campbell Director Agriculture Business	Catherine Sanderson Company Secretary Retired
James Cusack Director Stock & Station Agent	Andrew Kennett Director Agriculture Commodities Trader
Dr Yusufali Khalfan Director Medical Practitioner	Barbara Sargent Director Retired School Teacher

Directors were in office for this entire year unless otherwise stated.

No Directors have material interests in contracts or proposed contracts with the company.

**Principal activities**

The principal activities of the company during the course of the financial year were in providing community banking services under management rights to operate a franchised branch of Bendigo Bank Limited.

There has been no significant changes in the nature of these activities during the year.

**Operating Results**

Operations have continued to perform in line with expectations. The profit/(loss) of the company for the financial year after provision for income tax was (\$413.35).

**Dividends** : No recommendation has been made for the payment of a dividend

**Significant changes in the state of affairs**

In the opinion of the directors there were no significant changes in the state of affairs of the company that occurred during the financial year under review not otherwise disclosed in this report.

**Murrumboola Financial Services Ltd ABN 12 118 357 467**  
**Directors' Report**

**Significant events after the balance date**

There are no matters or circumstances that have arisen since the end of the financial year 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, in future years.

**Likely Developments**

The company will continue its policy of providing banking services to the community.

**Directors' Benefits**

No Director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company, controlled entity or related body corporate with a Director, a firm which a Director is a member or an entity in which a Director has a substantial financial interest. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by Directors shown in the company's accounts, or the fixed salary of a full-time employee of the company, controlled entity or related body corporate.

**Indemnification and Insurance of Directors and Officers**

The company has indemnified all Directors and the Manager in respect of liabilities to other persons (other than the company or related body corporate) that may arise from their position as Directors or Managers of the company except where the liability arises out of conduct involving the lack of good faith.

Disclosure of the nature of the liability and the amount of the premium is prohibited by the confidentiality clause of the contract of insurance. The company has not provided any insurance for an auditor of the company or a related body corporate.

**Directors Meetings**

The number of Directors meetings attended by each of the Directors of the company during the year were:

**Number of Meetings Held:** 14

**Number of Meetings Attended:**

Brenden Robert McKay	14
Susan McCarthy	14
James Cusack	13
Catherine Sanderson	9
Tony Campbell	13
Andrew Kennett	7
Dr Yusufali Khalfan	13
Barbara Sargent	12

**Company Secretary**

Catherine Sanderson has been the Company Secretary of Murrumboola Financial Services Ltd since Incorporation

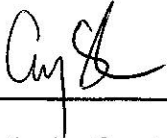
**Murrumboola Financial Services Ltd ABN 12 118 357 467**  
**Directors' Report**

**Corporate Governance**

The company has implemented various corporate governance practices, which include:

- (a) The establishment of an audit committee. Members of the audit committee are Susan McCarthy, Catherine Sanderson, Brenden McKay
- (b) Director approval of operating budgets and monitoring of progress against these budgets;
- (c) Ongoing Director training; and
- (d) Monthly Director meetings to discuss performance and strategic plans.

Signed in accordance with a resolution of the Board of Directors at Harden on 26th April 2007



Catherine Sanderson, Director



Barbara Sargent, Director

**Murrumboola Financial Services Limited ABN 12 118 357 467**  
**Auditor's Independence Declaration**

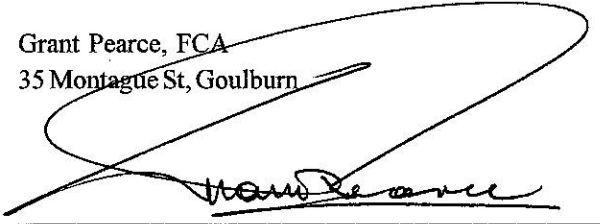
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**UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**  
**To THE DIRECTORS OF: Murrumboola Financial Services Limited**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2006 there have been :

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

Grant Pearce, FCA  
35 Montague St, Goulburn



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Dated: 26-4-07

**Murrumbidgee Financial Services Limited ABN 12 118 357 467**


**Directors' Declaration**

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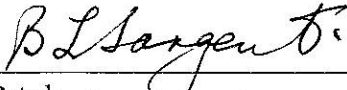
The directors of the company declare that:

1. the financial statements and notes are in accordance with the Corporations Act 2001 and:
  - (a) comply with Accounting Standards and the Corporations Regulations; and
  - (b) give a true and fair view of the company's financial position as at 30 June 2006 and of its performance for the 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.



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Dated: 26.04.06

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**Murrumboola Financial Services Limited ABN 12 118 357 467**

**Income Statement - by Nature**

**For the year ended 30 June 2006**

	<b>Note</b>	<b>2006</b>
		<b>\$</b>
<hr/>		
<b>Classification of Expenses by Nature</b>		
Revenues from ordinary activities		2.45
Borrowing costs expense		(2.40)
Other expenses from ordinary activities		<u>(590.30)</u>
<b>Profit (loss) from ordinary activities before income tax</b>		<b>(590.25)</b>
Income tax revenue relating to ordinary activities	3	<u>177.00</u>
<b>Net profit (loss) attributable to members of the company</b>		<b><u>(413.25)</u></b>

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**The accompanying notes form part of these financial statements.**

**Murrumboola Financial Services Limited ABN 12 118 357 467**  
**Balance Sheet As At 30 June 2006**

	Note	2006 \$
<hr/>		
<b>Current Assets</b>		
Cash assets	4	323,574.75
Current tax assets	5	63.11
Other	6	229.72
<b>Total Current Assets</b>		<u>323,867.58</u>
<b>Total Assets</b>		<u>323,867.58</u>
 <b>Current Liabilities</b>		
Interest-bearing liabilities		324,449.83
Current tax liabilities	7	(177.00)
<b>Total Current Liabilities</b>		<u>324,272.83</u>
<b>Total Liabilities</b>		<u>324,272.83</u>
<b>Net Assets (Liabilities)</b>		<u><u>(405.25)</u></u>
 <b>Equity</b>		
Contributed equity	8	8.00
Retained profits / (Accumulated losses)		(413.25)
<b>Total Equity (Deficiency)</b>		<u><u>(405.25)</u></u>

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The accompanying notes form part of these financial statements.

**Murrumboola Financial Services Limited ABN 12 118 357 467**

**Statement of Cash Flows**

**For the year ended 30 June 2006**

**2006**

**\$**

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**Cash Flow From Operating Activities**

Receipts from customers	
Payments to Suppliers and employees	(883.13)
Interest received	2.45
Interest and other costs of finance	(2.40)
Net cash provided by (used in) operating activities (note 2)	<u>(883.08)</u>

**Cash Flow From Financing Activities**

Proceeds of issue of shares	8.00
Proceeds of borrowings	<u>323,600.00</u>
Net cash provided by (used in) financing activities	<u>323,608.00</u>
Net increase (decrease) in cash held	322,724.92
Cash at the beginning of the year	
Cash at the end of the year (note 1)	<u><u>322,724.92</u></u>

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**The accompanying notes form part of these financial statements.**

**Murrumbolla Financial Services Limited ABN 12 118 357 467**

**Statement of Cash Flows**

**For the year ended 30 June 2006**

**2006**

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**Note 1. Reconciliation Of Cash**

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.

Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

Bendigo Cheque Account	(849.83)
Trust Account-Share Applications	323,566.75
Cash on hand	8.00
	<u>322,724.92</u>

**Note 2. Reconciliation Of Net Cash Provided By/Used In Operating Activities To Operating Profit After Income Tax**

Operating profit after income tax	(413.25)
Increase/(decrease) in provision for income tax	(177.00)
Changes in assets and liabilities net of effects of purchases and disposals of controlled entities:	
(Increase) decrease in prepayments	(229.72)
Increase (decrease) in sundry provisions	(63.11)
<b>Net cash provided by (used in) operating activities</b>	<b><u>(883.08)</u></b>

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**The accompanying notes form part of these financial statements.**

# **Murrumboola Financial Services Limited ABN 12 118 357 467**

## **Notes to the Financial Statements**

**For the year ended 30 June 2006**

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### **Note 1: Statement of Significant Accounting Policies**

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

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

The financial report of Murrumboola Financial Services Limited and the controlled entity and Murrumboola Financial Services Limited as an individual parent entity comply with all Australian equivalents to International Financial Reporting Standards (IFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

#### **(A) Basis of Preparation**

##### *Reporting Basis and Conventions*

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

#### **(B) Accounting Policies**

##### **Income tax**

The charge for current income tax expenses is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of Benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income tax legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

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# **Murrumboola Financial Services Limited ABN 12 118 357 467**

## **Notes to the Financial Statements**

**For the year ended 30 June 2006**

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### **Impairment of Assets**

At each reporting date, the directors review the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the assets fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs.

### **Provisions**

Provision are recognised when Murrumboola Financial Services Limited has a legal or constructive obligation, as a result of past events, for which it is probable that the outflow of economic benefit will result and that the outflow can be measured reliably.

### **Cash and Cash Equivalents**

Cash and Cash Equivalents includes cash on hand, deposits held at call with banks or financial institutions, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short term borrowings in current liabilities on the balance sheet.

### **Revenue**

Interest revenue is recognised on a proportional basis taking in to account the interest rates applicable to the financial assets.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

### **Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use of sale.

All other borrowing costs are recognised in income in the period in which they are incurred

### **Goods and Service Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

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**Murrumboola Financial Services Limited ABN 12 118 357 467**

**Notes to the Financial Statements**

**For the year ended 30 June 2006**

**2006**

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**Note 2:**

**Income**

Interest received	2.45
Total income	2.45

**Expenses**

Advertising and promotion	354.76
Bank Fees And Charges	41.30
Insurance	87.88
Interest	2.40
Postage	106.36
Total expenses	592.70
<b>Profit (Loss) from Ordinary Activities before income tax</b>	<b>(590.25)</b>

**Note 3: Income Tax**

The prima facie tax payable on profit from ordinary activities	(177.00)
<b>Income tax expense attributable to profit from ordinary activities</b>	<b>(177.00)</b>

**Note 4: Cash assets**

Bank accounts:

- Trust Account-Share Applications	323,566.75
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Other cash items:

- Cash on hand	8.00
	<b>323,574.75</b>

**Reconciliation of Cash:**

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

- Cash	323,574.75
- Bank overdrafts	(849.83)
	<b>322,724.92</b>

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**Murrumboola Financial Services Limited ABN 12 118 357 467**

**Notes to the Financial Statements**

**For the year ended 30 June 2006**

**2006**

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**Note 5: Tax Assets**

**Current**

GST payable control account	63.11
	<u>63.11</u>

**Note 6: Other Assets**

**Current**

Prepayments	229.72
	<u>229.72</u>

**Note 7: Tax Liabilities**

**Current**

Deferred Tax ( Future Tax Benefit)	(177.00)
	<u>(177.00)</u>

**Note 8: Contributed Capital**

Ordinary shares at \$1.00 each fully paid	<u>8.00</u>
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Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held.

At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

**Note 9: Remuneration & Retirement Benefits**

**Directors' Remuneration**

No remuneration was paid to directors during the financial year

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**Murrumbolla Financial Services Limited ABN 12 118 357 467**  
**Independent Auditor Report**

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**Scope**

I have audited the financial report, being the Statement by Directors, Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and Notes to the Financial Statements of Murrumbolla Financial Services Limited for the financial year ended 30 June 2006. The company's directors are responsible for the financial report. I have conducted an independent audit of the financial report in order to express an opinion on it to the members of the company.

My audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. My procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements so as to present a view which is consistent with my understanding of the company's financial position and performance as represented by the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

**Independence**

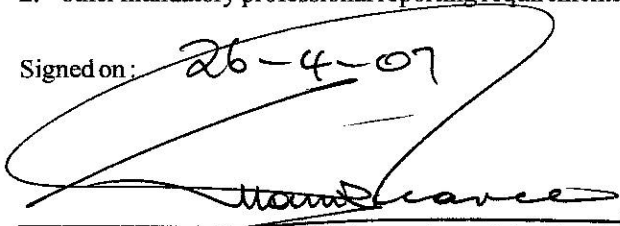
In accordance with ASIC Class Order 05/83, I declare to the best of my knowledge and belief that the auditor's independence declaration has not changed as at the date of providing my audit opinion.

**Audit opinion**

In my opinion, the financial report of Murrumbolla Financial Services Limited is in accordance with:

1. the Corporations Act 2001, including:
  - (a) giving a true and fair view of the company's financial position as at 30 June 2006 and of its performance for the year ended on that date; and
  - (b) complying with Accounting Standards and the Corporations Regulations; and
2. other mandatory professional reporting requirements.

Signed on:

26-4-07  


Grant Pearce, FCA  
35 Montague St, Goulburn