NORTH PERTH COMMUNITY FINANCIAL SERVICES LIMITED

ABN: 85 094 412 932

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2015

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FOR THE YEAR ENDED
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Directors' Report

For the financial year ended 30 June 2015

Your Directors present their report, together with the financial statements of the Company for the financial year ended 30 June 2015.

The information on Directors who held office during or since the end of the year are:

Directors

The names of Directors in office at any time during or since the end of the year are:

Nicholas Catania

Position:	Chairperson
Occupation:	Business consultant
Background Information:	Degree in Economics and Management. Former member of Parliament for a number of economic portfolios. Worked or lived in the North Perth area for more than 32 years. Former Mayor of the City of Vincent. Justice of the Peace and Former Chairman of Local Government Super Plan. Chairman of Hawksbridge Property.
Interest in shares and options:	1,500 shares

Ian Wesley Crawford

Position:	Non-Executive Director
Occupation:	Pharmacist
Background Information:	Pharmacist in North Perth for more than 35 years. Justice of the Peace.
Interest in shares and options:	5,000 shares

Sam Aldo De Vita

Position:	Non-Executive Director
Occupation:	Lawyer
Background Information:	Barrister and Solicitor of the Supreme Court of WA, High Court of Australia and Federal Court of Australia since 1993. He is a Director of De Vita Legal.
Interest in shares and options:	7,000 shares

James Peter De Leo

Position:	Non-Executive Director
Occupation:	Local Business Manager
Background Information:	Degree in Management and Business and Degree in Politics Science. Currently studying Masters of Strategic Affairs at the Australian National University Canberra. Marketing Manager of Pisconeri Wholesalers Pty Limited.
Interest in shares and options:	1,000 shares

James John Burns

Position:	Non-Executive Director
Occupation:	Real estate agent
Background Information:	Principal of J J Burns (Real Estate) in North Perth since 1974. Life member of Mt Lawley Society and founding member of the North Perth Society. Resident of the City of Vincent for over 35 years.
Interest in shares and options:	11,500 shares

Isidoro Messina

Position:	Non-Executive Director
Occupation:	Company Director
Background Information:	Isidoro Messina is a Company director of his family's business.
Interest in shares and options:	2,500 shares

Carlo Pennone

Position:	Non-Executive Director
Occupation:	Business consultant and volunteer
Background Information:	Consultant and volunteer who actively assists Italian pensioners with their associated pension paper work for both Italian and Australian entitled pensions. Recently became a Justice of the Peace.
Interest in shares and options:	2,000 shares

James Elder

Position:	Non-Executive Director
Occupation:	Company Director
Background Information:	Proprietor of Eldercon which specialises in building and property maintenance.
Interest in shares and options:	2,000 shares

Dean Franks

Position:	Non-Executive Director
Occupation:	Business consultant
Background Information:	Dean Franks has over 20 years involvement in the franchise sector. This includes as the Franchisor of a national and international franchise system. He has over 10 years' experience in advising clients on franchise related matters.
Interest in shares and options:	-

Steed Farrell

Position:	Non-Executive Director
Occupation:	PR consultant
Background Information:	Steed Farrell is a current director of Senior PR Consultants. Steed has extensive experience working in the field of external affairs and strategic communications, gained across a broad, cross – section of community, government, media and corporate environments.

Company Secretary

Ian Wesley Crawford

Directors meetings attended

During the financial year, 10 meetings of directors (including committees of directors) were held. Attendances by each Director during the year were as follows:

Names of Directors	Directors' Meetings	
	Number eligible to attend	Number attended
Nicholas Catania	10	10
Ian Wesley Crawford	10	9
James John Burns	10	9
James Peter De Leo	10	9
Sam De Vita	10	6
Isidoro Messina	10	7
Carlo Pennone	10	7
James Elder	10	10
Dean Franks	10	5
Steed Farrell	10	7

Principal Activities and Review of Operations

The principal activity and focus of the Company's operations during the year was the operation of a two Branch's of Bendigo and Adelaide Bank Limited, pursuant to their franchise agreements.

Financial Results

The profit after income tax expense of the Company for the year ended 30 June 2015 was $88,298 (2014: $189,037).

Dividends

The Company declared dividends of $75,300 during the year (2014: $75,300).

Significant Changes in the State of Affairs

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

Likely Developments

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.

Significant Events after the Reporting Period

There were no events subsequent to the end of the financial year that would have a material effect on these financial statements.

Options

No options over issue shares or interests in the Company were granted to Directors or Executives during or since the end of the financial year and there were no options outstanding at the date of this report.

Indemnifying Officers or Auditor

Indemnities have been given, during and since the end of the financial year, for any persons who are or have been a Director or an officer, but not an auditor, of the Company. The insurance contract prohibits disclosure of any details of the cover.

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

Environmental Regulations

The Company's operations are not regulated by any significant environment regulation under a law of the Commonwealth, state or Territory.

Non-Audit Services

There were no non-audit services performed during the year by the auditors for the Company (or by another person or firm on the auditor's behalf).

Independence Declaration

The auditor's independence declaration under section 307C of the *Corporations Act 2001* is set out on page 6 of the financial report.

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

DIRECTOR

PERTH
DATED THIS 28th DAY OF OCTOBER 2015.

Directors' Declaration

The Directors of the Company declare that:

1. the accompanying financial statements and notes are in accordance with the *Corporations Act 2001* and:

    a. comply with Accounting Standards; and

    b. give a true and fair view of the financial position as at 30 June 2015 and of the performance for the year ended on that date of the Company;

2. the Chief Executive Officer and Chairman of Corporate Governance and Audit Committee have each declared that:

    a. the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
    b. the financial statements and notes for the financial year comply with the Accounting Standards; and
    c. the financial statements and notes for the financial year give a true and fair view; and

3. 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

PERTH
DATED THIS 27TH **DAY OF** OCTOBER **2015.**

MACRI
PARTNERS

Certified Practising Accountants

PARTNERS
Anthony Macri FCPA
Domenic Macri CPA
Connie De Felice CA

Auditor's Independence Declaration

Under Section 307C of the Corporations Act 2001

To the Directors of North Perth Community Financial Services Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2015, 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.

MACRI PARTNERS

MACRI PARTNERS
CERTIFIED PRACTISING ACCOUNTANTS
SUITE 2, 137, BURSWOOD ROAD
BURSWOOD WA 6100

A MACRI
PARTNER

PERTH
DATED THIS 28TH DAY OF OCTOBER 2015

Suite 2, 137 Burswood Rd, Burswood WA 6100 PO Box 398, Victoria Park WA 6979 P (08) 9470 4848 F (08) 9470 4849 E mail@macripartners.com.au W macripartners.com.au

MACRI
PARTNERS

Certified Practising Accountants

PARTNERS
Anthony Macri FCPA
Domenic Macri CPA
Connie De Felice CA

Independent Auditor's Report

To the Members of North Perth Community Financial Services Limited

Report on the Financial Report

We have audited the accompanying financial report of North Perth Community Financial Services Limited (the company), which comprises the statement of financial position as at 30 June 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the 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. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Suite 2, 137 Burswood Rd, Burswood WA 6100 PO Box 398, Victoria Park WA 6979 P (08) 9470 4848 F (08) 9470 4849 E mail@macripartners.com.au W macripartners.com.au

Auditor's Opinion

In our opinion:

a. the financial report of North Perth Community Financial Services Limited is in accordance with the *Corporations Act 2001*, including:

   i. giving a true and fair view of the company's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

   ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*;

b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

MACRI PARTNERS

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CERTIFIED PRACTISING ACCOUNTANTS
SUITE 2, 137, BURSWOOD ROAD
BURSWOOD WA 6100

A MACRI
PARTNER

PERTH
DATED THIS 28TH DAY OF OCTOBER 2015

Statement of Comprehensive Income
For the Year Ended 30 June 2015

	Note	2015 $	2014 $
Revenue	2	1,594,649	1,619,839
Expenses			
Employee Benefits Expense		(646,288)	(653,951)
Depreciation and Amortisation Expense	3	(94,636)	(66,796)
Finance Costs		(932)	(718)
Impairment of Investment		-	-
Other Expenses		(722,665)	(631,188)
Profit before Income Tax		130,128	267,186
Income Tax Expense	4	(41,830)	(78,149)
Profit after Income Tax Expense		88,298	189,037
Other Comprehensive Income			
Fair value gains on available-for-sale financial assets, net of tax		1,226	41,707
Total Other Comprehensive Income for the Year		1,226	41,707
Total Comprehensive Income for the Year		89,524	230,745
Total Comprehensive Income Attributable to:			
Members of the Company		89,524	230,745

Earnings per Share		
From Overall Operations		
Basic Earnings per Share (cents per share)	18	46
Diluted Earnings per Share (cents per share)	18	46

The accompanying notes form part of these financial statements.

Statement of Financial Position

As at 30 June 2015

	Note	2015 $	2014 $
ASSETS			
Current Assets			
Cash and cash equivalents	7	2,318,690	2,297,886
Trade and other receivables	8	122,782	143,575
Other assets	9	8,267	2,731
Total Current Assets		2,449,739	2,444,192
Non-Current Assets			
Plant and equipment	10	341,700	215,139
Intangible assets	11	65,966	94,736
Financial assets	12	357,509	344,308
Deferred tax assets	15	37,914	36,125
Current tax asset	15	6,382	36,277
Total Non-Current Assets		809,471	726,585
TOTAL ASSETS		3,259,210	3,170,777
LIABILITIES			
Current Liabilities			
Trade and other payables	13	206,630	159,133
Short-term provisions	14	78,202	57,872
Current tax liability	15	-	-
Deferred tax liability	15	40,417	39,892
Total Current Liabilities		325,249	256,897
Non-Current Liability			
Trade and other payables	13	16,930	4,799
Long-term Provisions	14	8,396	4,670
Total Non-Current Liabilities		25,326	9,469
TOTAL LIABILITIES		350,575	266,366
NET ASSETS		2,908,635	2,904,411
EQUITY			
Issued capital	16	186,310	196,310
Reserve		99,395	98,169
Retained earnings		2,622,930	2,609,932
TOTAL EQUITY		2,908,635	2,904,411

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 30 June 2015

	Note	Issued Ordinary Capital	Financial Assets Reserve	Retained Earnings	Total
		$	$	$	$
Balance at 1 July 2013		196,310	56,462	2,496,195	2,748,967
Dividends paid or provided for		-	-	(75,300)	(75,300)
Return of Capital		-	-	-	-
Profit for the year		-	-	189,037	189,037
Other comprehensive income for the year, net of tax		-	41,707	-	41,707
Balance at 30 June 2014		196,310	98,169	2,609,932	2,904,411
Balance at 1 July 2014		196,310	98,169	2,609,932	2,904,411
Dividends paid or provided for	5	-	-	(75,300)	(75,300)
Return of Capital		-	-	-	-
Profit for the year		-	-	88,298	88,298
Other comprehensive income for the year, net of tax		-	1,226	-	1,226
Capital raising costs		(10,000)	-	-	(10,000)
Balance at 30 June 2015		186,310	99,395	2,622,930	2,908,635

The accompanying notes form part of these financial statements.

Statement of Cash Flows
For the Year Ended 30 June 2015

	Note	2015 $	2014 $
Cash flows from operating activities			
Receipts from customers		1,666,282	1,682,872
Payments to suppliers and employees		(1,356,742)	(1,331,504)
Income tax paid		(13,723)	(177,361)
Interest received		82,350	87,742
Dividends received		18,627	17,069
GST paid		(91,581)	(70,062)
Finance Costs		(932)	(720)
Net cash provided by operating activities	17	304,281	208,036
Cash flows from investing activities			
Sale of plant and equipment		9,092	-
Purchase of plant and equipment		(205,954)	(215,416)
Purchase of Shares		(11.450)	(7,500)
Payment of franchise fees		-	(90,000)
Net cash used in investing activities		(208,112)	(312,916)
Cash flows from financing activities			
Cost of raising capital		(10,000)	-
Dividends paid		(65,265)	(75,497)
Repayment of borrowings		-	4,248
Return of capital		(100)	(12,082)
Net cash used in financing activities		(75,365)	(83,331)
Net increase in cash held		20,804	(188,211)
Cash and cash equivalents at beginning of financial year		2,297,886	2,486,097
Cash and cash equivalents at end of financial year	7	2,318,690	2,297,886

The accompanying notes form part of these financial statements.

Note 1: Statement of Significant Accounting Policies

This financial report covers North Perth Community Financial Services Limited, as an individual entity. North Perth Community Financial Services Limited is a public company, incorporated and domiciled in Australia.

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied, unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historic costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(a) Income Tax

The income tax expense for the year comprises current income tax expense and deferred tax expense.

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities are therefore measured at the amounts expected to be paid to the relevant taxation authority.

Deferred income tax expenses reflects movements in deferred tax assets and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated 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 enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

(a) Income tax (continued)

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

When temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(b) Plant and Equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment is measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining the recoverable amounts.

The cost of fixed assets constructed within the entity includes the costs of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including capitalised leased assets, is depreciated over their useful lives commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Depreciation (continued)

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	15.35% - 20%
Motor Vehicles	15.35%

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period.

An asset's carrying value is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(c) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that is transferred to the company are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with lessor, are charged as expense in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(d) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately

(d) Financial Instruments (continued)

Classification and Subsequent Measurement

Financial assets are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

(i) the amount at which the financial asset or financial liability is measured at initial recognition;
(ii) less principal repayments;
(iii) plus or minus the cumulative amortisation of the differences, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
(iv) less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the related period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The company does not designate any interest in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. All other loans and receivables are classified as non-current assets.

(d) Financial Instruments (continued)

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. All other investments are classified as current assets.

If during the period the company sold or reclassified more than as significant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investments category would be tainted and reclassified as available-for-sale.

(iv) Available for sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with changes in such fair value (i.e. gains or losses) recognised in other comprehensive income (except for impairment losses and foreign exchange gains and losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. All other financial assets are classified as current assets.

(v) Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Derivative Instruments

Derivative instruments are measured at fair value. Gains and losses arising from changes in fair value are taken to the statement of comprehensive income unless they are designated as hedges.
The Company does not hold derivative instruments.

Fair Value

Fair value is determined based on current bid prices of all quoted investments. Valuation techniques are applied to determine the fair value of all unlisted securities, including arm's length transactions, reference to similar instruments and option pricing models.

(d) Financial Instruments (continued)

Impairment

At each reporting date, the company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

Financial Guarantees

Where material, financial guarantees issued, which require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due, are recognised as a financial liability at fair value on initial recognition.

The guarantee is subsequently measured at the higher of the best estimate of the obligation and the amount initially recognised less, when appropriate, cumulative amortisation in accordance with AASB 118: Revenue. Where the entity gives guarantees in exchange for a fee, revenue is recognised under AASB 118.

The company has not issued any financial guarantees.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

(e) Impairment of Assets

At each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

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

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

(f) Intangibles

Franchise Fee

The franchise fee paid by the company pursuant to a Franchise Agreement with Bendigo and Adelaide Bank Limited is being amortised over five (5) years period of the agreement, being the period of expected economic benefits of the franchise fee.

(g) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

The Company contributes to a defined contribution plan. Contributions to employee superannuation funds are charged against income as incurred.

(h) 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.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(i) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short- term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within short-term borrowings in current liabilities in the statement of financial position.

(j) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remains unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

(k) 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 or sale.

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

(l) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.

All dividends received shall be recognised as revenue when the right to receive the dividend has been established.

Revenue recognition relating to provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the service performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

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

(m) Goods and Services 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 (ATO). 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 statement of financial position are shown inclusive of GST. The net amount of GST receivable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

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

(n) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

When the Company applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period will be disclosed.

(o) Critical Accounting Estimates and Judgements

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

(o) Critical Accounting Estimates and Judgements (continued)

(i) Impairment

The company assesses impairment at the end of each reporting period by evaluation conditions and events specific to the company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

No impairment has been recognised in respect of intangibles for the year ended 30 June 2015. Should the projected turnover figures be materially outside of budgeted figures incorporated in value-in-use calculations, an impairment loss would be recognised up to the maximum carrying value of intangibles at 30 June 2015 amounting to $94,736.

(p) New Accounting Standards for Application in Future Periods

Accounting Standards and Interpretations issued by the AASB that are not yet mandatorily applicable to the Company, together with an assessment of the potential impact of such pronouncements on the Company when adopted in future periods, are discussed below:

- AASB 9: *Financial Instruments* and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018)

  The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

  The key changes that may affect the Company on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of the Standard, the application of such accounting would be largely prospective.

  Although the directors anticipate that the adoption of AASB 9 may have an impact on the Company's financial instruments, including hedging activity, it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 15: *Revenue from Contracts with Customers* (applicable to annual reporting periods commencing on or after 1 January 2017)

When effective, this Standard will replace the current accounting requirements, applicable to the revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- Identify the contra(s) with a customer;
- Identify the performance obligations in the contract(s);
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract(s); and
- Recognise revenue when (or as) the performance obligations are satisfied.

This Standard will require retrospective restatement, as well as enhanced disclosures regarding revenue.

Although the directors anticipate that the adoption of AASB 15 may have an impact on the Company's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 10 Consolidated Financial Statements and AASB 11 Joint Arrangements

AASB 10 Consolidated Financial Statements provides a revised definition of "control" and may result in an entity having to consolidate an investee that was not previously consolidated and/or deconsolidate an investee that was consolidated under the previous accounting pronouncements.

AASB 11 Joint Arrangements requires joint arrangements to be classified as either "joint operations" (where the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities) or "joint ventures" (where the parties that have joint control of the arrangement have rights to the net assets of the arrangement).

However, since the company does not hold an interest in any entity which would be deemed to be its subsidiary, nor is it part of any joint arrangement, there is no requirement to prepare consolidated financial statements on application of AASB 10 or adopt the equity method of accounting on application of AASB 11. The company is also not required to provide enhanced disclosures under AASB 12. To facilitate the application of AASBs 10 and 12, revised versions of AASB 127 and AASB 128 were also issued. There is no impact on the company's financial statements as a result of the adoption of AASB 127 and AASB 128.

- AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities

This standard provides clarifying guidance relating to the offsetting of financial instruments and does not impact the company's financial statements.

- AASB 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets

This standard amends the disclosure requirements in AASB 136: Impairment of Assets pertaining to the use of fair value in impairment assessment and does not impact the company's financial statements.

- AASB 2013-5 Amendments to Australian Accounting Standards – Investment Entities

This standard amends AASB 10: Consolidated Financial Statements by defining an "investment entity" and requiring that, with limited exceptions, the entity not consolidate its subsidiaries. The unconsolidated subsidiaries must also be measured at fair value through profit or loss in accordance with AASB 9: Financial Instruments. The amendments also introduce additional disclosure requirements. As the company does not meet the definition of an investment entity, this Standard does not impact the company's financial statements.

- AASB 2014-1 Amendments to Australian Accounting

Parts A-C of this Standard make editorial corrections to various Standards, provide for accounting treatment of employee contributions to a defined benefit plan and delete references to AASB 1031: Materiality in various AASB Standards. This Standard does not impact the company's financial statements.

- Interpretation 21: Levies

This Interpretation clarifies the circumstances under which a liability to pay a levy imposed by a government should be recognised, and whether that liability should be recognised in full at a specific date or progressively over a period of time. This Interpretation does not impact the company's financial statements.

Note 2: Revenue and Other Income

	2015 $	2014 $
Operating Activities		
- Franchise margin income	1,507,157	1,506,564
Non-Operating Activities		
- Interest received	68,513	85,008
-Dividend received	18,627	17,069
- Other revenue	352	11,198
	1,594,649	1,619,839
Total Revenue	1,594,649	1,619,839

Note 3: Profit before Income Tax

Expenses

	2015 $	2014 $
Depreciation	65,866	43,648
Amortisation	28,770	23,148
Other operating expenses	1,369,885	1,285,856
	1,464,521	1,352,652
Remuneration of auditor		
- auditing or reviewing the financial report	10,350	12,500
- Other services		-
	10,350	12,500

Note 4: Income Tax Expense

	2015 $	2014 $
(a) The components of tax expense comprise:		
- Current tax	43,618	81,339
- Deferred tax (benefit)/ expense	(1,788)	(3,190)
	41,830	78,149

Note 4: Income Tax Expense (cont'd)

(b) The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:

	2015 $	2014 $
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2014: 30%)	39,038	80,156
Add:		
Franking Credit	2,395	2,195
Tax effect of:		
- non-deductible expenses	4,800	3,114
Less:		
Tax effect of:		
- Other allowable items	-	-
- Franking credit	(7,983)	(7,316)
-Prior period adjustment	3,580	-
Income tax attributable to the company	41,830	78,149

Note 5: Dividends

	2015	2014
Fully franked ordinary dividend paid on 19 May 2015 of 15 cents per share (2014: 15 cents)	75,300	75,300
Balance of franking account at year-end	1,272,218	1,282,784

Note 6: Interests of Key Management Personnel (KMP)

a. Name and positions

Name	*Position*
Nicholas Catania	Chairman
Ian Wesley Crawford	Company Secretary
James John Burns	Non-Executive Director
James Peter De Leo	Non-Executive Director
Sam De Vita	Non-Executive Director
Isidoro Messina	Non-Executive Director
Carlo Pennone	Non-Executive Director
James Elder	Non-Executive Director
Dean Franks	Non-Executive Director
Steed Farrell	Non-Executive Director

b. Remuneration of Key Management Positions

Directors of the Company received a total of $37,000 as remuneration for services as Directors.

c. Shareholdings

Number of ordinary shares in North Perth Community Financial Services Limited held by key management personnel of the company during the financial year is as follows:

2015

	Ordinary Shares			
Directors	*Beginning balances*	*Purchase*	*Other changes*	*Ending Balances*
Nicholas Catania	1,500	-	-	1,500
Ian Wesley Crawford	5,000	-	-	5,000
James John Burns	11,500	-	-	11,500
James Peter De Leo	1,000	-	-	1,000
Sam Aldo De Vita	7,000	-	-	7,000
Isidoro Messina	2,500	-	-	2,500
Carlo Pennone	2,000	-	-	2,000
James Elder	2,000	-	-	2,000
Dean Franks	-	-	-	-
Steed Farrell	-	-	-	-
	30,500	-	-	30,500

Option Holdings

No options over ordinary shares in the company are held by any Director of the company or other key management personnel, including their personally related parties.

	2015 $	2014 $

Note 7: Cash and Cash Equivalents

	2015 $	2014 $
Cash on hand	-	-
Cash at Bank	112,502	147,886
Short-term bank deposits	2,206,188	2,150,000
	2,318,690	2,297,886

Note 8: Trade and Other Receivables

	2015 $	2014 $
CURRENT		
Trade debtors	120,864	121,430
Other debtors	1,111	7,500
Accrued Income	391	14,228
Short term loans	416	417
	122,782	143,575

a. Provision for Impairment of Receivables

Current trade and term receivables are non-interest bearing loans and generally on 30-day terms. Non-current trade and term receivables are assessed for recoverability based on the underlying terms of the contract. A provision for impairment is recognised when there is objective evidence that individual trade or term receivable is impaired. These amounts have been included in the other expenses item.

There is no provision for impairment of receivables.

Note 9: Other Assets

	2015 $	2014 $
CURRENT		
Prepayments	8,267	2,731
Other	-	-
	8,267	2,731

Note 10: Plant and Equipment

	2015 $	2014 $
Plant and equipment – at cost	628,949	455,010
Less accumulated depreciation	(317,846)	(256,841)
	311,103	198,169
Motor vehicle – at cost	31,815	31,501
Less accumulated depreciation	(1,218)	(14,531)
	30,597	16,970
Total Property, Plant and Equipment	341,700	215,139

Note 10: Plant and Equipment (continued)

a. Movements in Carrying Amounts

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

	Plant and Equipment $	Motor Vehicle $	Total $
Balance at 1 July 2013	21,566	21,805	43,371
Additions	215,415	-	215,415
Depreciation Expense	(38,812)	(4,835)	(43,647)
Carrying amount at 30 June 2014	198,169	16,970	215,139
Additions	173,939	31,816	205,755
Disposals	-	(13,328)	(13,328)
Depreciation Expense	(61,005)	(4,861)	(65,866)
Carrying amount at 30 June 2015	311,103	30,597	341,700

	2015 $	2014 $
Note 11: Intangible Assets		
NON-CURRENT		
Franchise fees – at cost	143,850	143,850
Less: accumulated amortisation	(77,884)	(49,114)
Net carrying value	65,966	94,736

Note 12: Financial Assets

	2015 $	2014 $
NON-CURRENT		
Available-for-sale financial assets, Listed investment, at fair value		
-Shares in Listed Corporations	357,509	344,308

Note 13: Trade and Other Payables

	2015 $	2014 $
CURRENT		
Unsecured liabilities:		
Trade creditors and accruals	127,635	68,479
GST Payable	13,177	34,772
Return of capital payable	21,435	21,535
Dividend payable	44,383	34,347
	206,630	159,133
NON-CURRENT		
Unsecured liabilities:		
Trade creditors and accruals	16,930	4,799

Note 14: Provisions

CURRENT		
Employee benefits:		
Provision for annual leave	48,517	35,979
Provision for long service leave	29,685	21,893
	78,202	57,872
NON-CURRENT		
Employee benefits:		
Provision for long service leave	8,396	4,670
Number of employees at year-end	10	9

Note 15: Tax

CURRENT		
Current tax assets	6,382	36,277
Current tax liabilities	-	-
NON CURRENT		
Deferred tax assets	37,914	36,125

Note 15: Tax (continued)

The movement in deferred tax asset for each temporary difference during the year as follows:

	2015	2014
	$	$
Provisions		
Opening balance	20,300	14,706
Charge to income	7,217	5,594
Closing balance	27,516	20,300
Revaluation of financial assets		
Opening balance	11,850	11,850
Charge to income	-	-
Closing balance	11,850	11,850
Others		
Opening balance	3,975	6,379
Charge to income	(5,427)	(2,404)
Closing balance	(1,452)	3,975

Gross Movements:

The overall movement in the deferred tax asset account is as follows:

Opening balance	36,125	32,935
Charge to income	1,788	3,190
Closing balance	37,914	36,125

a. **Deferred Tax Liabilities**

Deferred tax liabilities comprise:		
Accrued interest income	-	-
Revaluation of financial assets	40,418	39,892
	40,418	39,892
Revaluation of financial assets		
Opening balance	39,893	22,018
Charge to income	525	17,874
Closing balance	40,418	39,892
Accrued interest income		
Opening balance	-	-
Charge to income	-	-
Closing balance	-	-

Note 15: Tax (continued)

	2015 $	2014 $

Gross Movements:

The overall movement in the deferred tax liabilities account is as follows:

	2015 $	2014 $
Opening balance	39,893	22,018
Charge to income	525	17,874
Closing balance	40,418	39,892

Note 16: Issued Capital

	2015 $	2014 $
502,000 (2014: 502,000) fully paid ordinary shares	502,000	502,000
10 (2014: 10) fully paid subscriber shares	10	10
Cost of raising equity	(14,500)	(4,500)
Return of capital	(301,200)	(301,200)
	186,310	196,310

Note 17: Cash Flow Information

	2015 $	2014 $
Profit after Income Tax		
Profit after income tax	88,298	189,037
Add: Non-cash flows in profit:		
Depreciation/amortisation	94,636	66,796
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	20,792	17,439
(Increase)/decrease in prepayments	(5,537)	(1,281)
(Increase)/decrease in deferred tax assets	(1,789)	(3,190)
Increase/(decrease) in trade payables and accruals	53,404	21,732
Increase/(decrease) in provisions for employee entitlements	24,057	13,524
Increase/(decrease) in current tax liabilities	29,895	(113,895)
Increase/(decrease) in deferred tax liabilities	525	17,874
	304,281	208,036

Note 18: Capital and Leasing Commitments

North Perth Community Financial Services Limited has a photocopier equipment & motor vehicle lease commitment at 30 June 2015.

	2015	2014
	$	$
Payable		
Not longer than one year	12,377	3,841
Longer than one but not longer than five years	16,930	5,120
	29,307	8,961

Note 19: Events after the Reporting Period

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 except for the information disclosed in the Directors' report.

Note 20: Segment Reporting

The company operates in the financial services sector as a branch of Bendigo Bank Limited in Western Australia.

Note 21: Related Party Transactions

Sam Aldo De Vita is a partner of Devita Legal of which the firm is a panel of solicitors for Bendigo Bank.

Devita Legal receives instructions from various Community Bank branches of Bendigo Bank, including but not limited to the North Perth Community Bank Branch.

Note 22: Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, loans. The company does not engage in transaction expressed in foreign currencies and is therefore not subject to foreign currency risk. Financial Risk Management is carried out by the Board of Directors.

The Directors' overall risk management strategy seeks to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

a. Financial Risk Management Policies

Risk management policies are approved and reviewed by the Board of Directors on a regular basis. These include the credit risk policies and future cash flow requirements. The main purpose of non-derivative financial instruments is to raise finance for Company operations.

The Company does not have any derivative instruments at 30 June 2015.

b. Specific Financial Risk Exposures and Management

The main risks the company is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

Interest Rate Risk

Interest rate risk is managed with a mixture of fixed and floating rate debt.

Liquidity Risk

The Company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

Note 22: Financial Risk Management (continued)

Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

There are no material amounts of collateral held as security at 30 June 2015.

The Company does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Company.

Credit risk is managed reviewed regularly by the Board of Directors. It arises from exposures to customers as well as through deposits with financial institutions.

The Board of Directors monitors credit risk by actively assessing the rating quality and liquidity of counter parties:

- all potential customers are rated for credit worthiness taking into account their size, market position and financial standing; and

- customers that do not meet the company's strict credit policies may only purchase in cash or using recognised credit cards.

The trade receivables balances at 30 June 2015 and 30 June 2014 do not include any counterparties with external credit ratings. Customers are assessed for credit worthiness using the criteria detailed above.

c. Financial Instrument Composition and Maturity Analysis

The company held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2015	2014	2015	2014
	$	$	$	$
FINANCIAL ASSETS				
Cash and Cash Equivalents	2,318,690	2,297,886	2,318,690	2,297,886
Trade and other receivables	122,782	143,575	122,782	143,575
Other financial assets	357,509	344,308	357,509	344,308
	2,798,981	2,785,769	2,798,981	2,785,769
FINANCIAL LIABILITIES				
Trade and other payables	223,560	163,932	223,560	163,932

Note 22: Financial Risk Management (continued)

Fair value is determined as follows:

The carrying value of cash and cash equivalents, receivables, available-for-sale financial assets and payables are estimated approximates to their net market values.

(a) Cash and Cash Equivalents

The company's objective is to maximize its return on cash and cash equivalent instruments whilst maintaining an adequate level of liquidity and preserving Capital.

Cash and investments are subjected to interest rate risk – the risk that movements in interest rates affect returns.

The company manages its risks by diversifying its portfolio and only purchasing cash and other investments with high credit ratings or capital guarantees.

Sensitivity Analysis

The following table illustrates sensitivities to the company's exposures to changes in interest rates and equity prices. The table indicates the impact on how the profit and equity values reported at balance date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

	Profit $	Equity $
Year ended 30 June 2015		
+/- 2% in interest rates	+/-46,374	+/-46,374
Year ended 30 June 2014		
+/- 2% in interest rates	+/-45,960	+/-45,960

(a) Receivables

The company's major risk associated with the receivables is credit risk – the risk that the debts may not be repaid. The company manages this risk by monitoring outstanding debt and employing appropriate debt recovery procedures.

The company does not have any material credit risk exposure to any single receivable or group of receivables under financial investments entered into by the company.

(b) Payables

Payables are subjected to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and where they fall due. The Directors manage this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer and has a loan facility with the bank.

Note 22: Financial Risk Management (continued)

The table below reflects the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the statement of financial position.

	Weighted Average Effective Interest Rate		Floating Interest Rate		Non-interest Bearing		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
	%	%	$	$	$	$	$	$
Financial Assets:								
Cash and cash at bank	0.02%	0.02%	112,502	147,886		-	112,502	147,886
Short-term deposits	3.6%	3.6%	2,206,188	2,150,000		-	2,206,188	2,150,000
Trade and other receivables					122,782	143,575	122,782	143,575
Total Financial Assets			2,318,690	2,297,886	122,782	143,575	2,441,472	2,441,461
Financial Liabilities:								
Trade and other payables			-	-	223,560	163,932	223,560	163,932
Total Financial Liabilities			-	-	223,560	163,932	223,560	163,932

Note 23: Fair Value Measurements

The company measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition:

- Financial assets at fair value through profit or loss;

The company does not measure any other assets and liabilities at fair value on a non-recurring basis.

(a) Fair Value Hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurement into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1 - Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 - Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The company selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the company are consistent with one or more of the following valuation approaches:

Market approach - Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

Income approach - Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

Cost approach - Valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Note 23: FAIR VALUE MEASUREMENTS (Cont'd)

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the company gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability and considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

The following table provides the fair values of the company's assets measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

Recurring Fair Value Measurements

		30 June 2015			
	Note	**Level 1**	**Level 2**	**Level 3**	**Total**
		$	$	$	$
Financial Assets					
Financial assets at fair value though profit or loss:					
- shares in listed corporations	12	357,509		-	357,509
Total financial assets recognised at fair value		357,509	-	-	357,509

Note 23: FAIR VALUE MEASUREMENTS (Cont'd)

Recurring Fair Value Measurements

		30 June 2014			
	Note	**Level 1**	**Level 2**	**Level 3**	**Total**
		$	$	$	$
Financial Assets					
Financial assets at fair value though profit or loss:					
- shares in listed corporations	12	344,308	-	-	344,308
Total financial assets recognised at fair value		344,308	-	-	344,308

(b) Transfers Policy

The policy of the company is to recognise transfers into and transfers out of the fair value hierarchy levels as at the end of the reporting period. There were no transfers between level 1 and level 2 for assets measured at fair value on a recurring basis during the reporting period (2014: no transfers).

(c) Disclosed Fair Value Measurements

The following assets and liabilities are not measured at fair value in the statement of financial position, but their fair values are discloses in the notes:
- Accounts receivable and other debtors;
- Accounts payable and other liabilities;

Note 23: FAIR VALUE MEASUREMENTS (Cont'd)

The following table provides the level of fair value hierarchy within which the disclosed fair value measurements are categorised in their entirety and a description of the valuation technique(s) and inputs used:

Description	Note	Fair Value Hierarchy Level	Valuation Technique(s)	Inputs Used
Assets				
Trade receivable and other assets	8, 9	3	Income approach using discounted cash flow methodology	Market interest rates for similar assets
Liabilities				
Trade and other payables	13	3	Income approach using discounted cash flow methodology	Market interest rates for similar liabilities

There has been no change in the valuation technique(s) used to calculate the fair values disclosed in the notes to the financial statements.

Note 24: Economic dependency – Bendigo and Adelaide Bank Limited

The company has entered into franchise agreement with Bendigo and Adelaide Bank Limited that governs the management of the Community Bank branches at North Perth, Western Australia.

The branches operates as a franchise of Bendigo Bank, using the name "Bendigo Bank" and the logo and system of operations of Bendigo Bank. The company manages the Community Bank branches on behalf of the Bendigo Bank, however all transactions with customers conducted through the Community Bank branches are effectively conducted between the customers and Bendigo Bank.

All deposits are made with Bendigo Bank, and all personal and investment products are products of Bendigo Bank, with the company facilitating the provision of those products. All loans, leases or hire purchase transactions, issues of new credit or debit cards, temporary or bridging finance and any other transaction that involves creating a new debt, or increasing or changing the terms of an existing debt owed to Bendigo Bank, must be approved by Bendigo Bank. All credit transactions are made with Bendigo Bank, and all credit products are products of Bendigo Bank.

Bendigo Bank provides significant assistance in establishing and maintaining the Community Bank branch franchise operations. It also continues to provide ongoing management and operational support, and other assistance and guidance in relation to all aspects of the franchise operation, including advice in relation to:

- Advice and assistance in relation to the design, layout and fit out of the Community Bank branches;
- Training for the branch manager and other employees in banking management systems and interface protocol;
- Methods and procedures for the sale of products and provision of services;
- Security and cash logistic controls;
- Calculation of company revenue and payment of many operating and administrative expenses;
- The formulation and implementation of advertising and promotional programs; and
- Sales techniques and proper customer relations.

Note 25: Company Details

The registered office of the company is:
Suite 3, 138 Main Street
Osborne Park WA 6017

The principal places of business of the Company are:
Suite 3, 138 Main Street
Osborne Park WA 6017

431 Fitzgerald Street
North Perth WA 6006

11/7 Hutton Street
Osborne Park WA 6017