

ADELONG & DISTRICT FINANCIAL SERVICES LTD



ANNUAL REPORT



2013

ADELONG & DISTRICT FINANCIAL SERVICES LTD

ABN 39 107 620 137

ANNUAL REPORT FOR THE YEAR ENDED

30TH JUNE 2013

ADELONG & DISTRICT FINANCIAL SERVICES LTD

ABN 39 107 620 137

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ADELONG & DISTRICT FINANCIAL SERVICES LIMITED
A.B.N. 39 107 620 137

DIRECTOR'S REPORT

Your director presents this report on the company for the financial year ended 30 June 2013.

Directors

The name of the directors in office at any time during, or since the end of the year are:

Name	Position	Occupation	Meetings attended
Stewart MacDonald Smith	Chairman	Farmer	9 of 10
James Hayes	Vice Chairman	School Teacher	8 of 10
Keith Chappel	Director	Retired	7 of 10
David Boston	Director	Retired	7 of 10
Wendy Ann Miller	Director	Home Duties	7 of 10
Ross Tout	Director	Accountant	8 of 10

Director has been in office since the start of the financial year to the date of this report unless otherwise stated.

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

Review of Operations

The profit of the company after providing for income tax amounted to \$31,558 (2012: \$93,743)

Significant Changes in the State of Affairs

There have been no significant changes in the state of affairs of the Company during the financial year.

Principal Activities

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

No significant change in the nature of these activities occurred during the year.

Events Subsequent to the End of the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

Likely Developments and Expected Results of Operations

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.

Environmental Regulation

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

ADELONG & DISTRICT FINANCIAL SERVICES LIMITED

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DIRECTOR'S REPORT

Dividends

A dividend of \$45,538 was paid on 14 August 2012 which related to the financial year ended 30 June 2012

The directors have approved the payment of a dividend in relation to the financial year ended 30 June 2013 to the value of \$45,538. This was paid on 14th August 2013.

Options

No options over issued shares or interests in the company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Indemnification of 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 Director or Manager 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.

Proceedings on Behalf of the 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.

The company was not a party to any such proceedings during the year.

Auditors' Independence Declaration

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 3.

Signed in accordance with a resolution of the Board of Directors:

Signed:

Stewart MacDonald Smith - Chairman

Signed

James Hayes - Director

Dated this 28th day of October 2013

**AUDITORS' INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTOR OF
ADELONG & DISTRICT FINANCIAL SERVICES LIMITED**

We declare, that to the best of our knowledge and belief, during the year ended 30 June 2013 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.

Name of Firm: Twomeys National Audit Pty Ltd
Authorised Audit Company

Name of Director: _____
Steven J Watson CA

Address: 1/185 Morgan St WAGGA WAGGA NSW 2650

Dated this 28th day of October 2013

ADELONG & DISTRICT FINANCIAL SERVICES LIMITED
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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 \$	2012 \$
Revenue	2	1,053,119	939,562
ATM		(28,707)	(26,896)
Advertising expenses		(17,173)	(36,115)
Auditors' remuneration	3	(5,450)	(6,000)
Community grants		(187,428)	(6,063)
Depreciation and amortisation expenses		(46,304)	(50,789)
Employee benefits expenses		(443,907)	(438,151)
Freight, cartage and delivery		(41,165)	(34,987)
I.T cost		(41,594)	(44,669)
Occupancy cost		(79,367)	(49,243)
Other expenses		(117,738)	(113,049)
Profit before income tax	4	44,286	133,600
Income tax expense	5	(12,728)	(39,857)
Profit for the year		31,558	93,743
Total comprehensive income for the year		31,558	93,743
Total comprehensive income attributable to members of the entity		31,558	93,743
Earnings per share (cents per share)			
-basic for profit/(loss) for the year		0.05	0.15
-diluted for profit/(loss) for the year		0.05	0.15

The accompanying notes form part of these financial statements.

ADELONG & DISTRICT FINANCIAL SERVICES LIMITED
A.B.N. 39 107 620 137

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013

	Note	2013 \$	2012 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	185,419	208,441
Trade and other receivables	7	100,911	92,758
Other current assets	8	4,240	4,238
Tax assets	13	16,759	-
Financial assets	9	14,152	11,489
TOTAL CURRENT ASSETS		<u>321,481</u>	<u>316,926</u>
NON-CURRENT ASSETS			
Property, plant and equipment	10	443,310	469,941
Intangible assets	12	26,238	43,692
Tax assets	13	18,660	5,419
TOTAL NON-CURRENT ASSETS		<u>488,208</u>	<u>519,052</u>
TOTAL ASSETS		<u>809,689</u>	<u>835,978</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	14	76,858	60,892
Tax liabilities	13	-	43,217
Other current liabilities	15	3,000	3,500
Borrowings	16	6,120	5,624
TOTAL CURRENT LIABILITIES		<u>85,978</u>	<u>113,233</u>
NON-CURRENT LIABILITIES			
Borrowings	16	23,801	29,922
Provisions	17	30,344	25,348
TOTAL NON-CURRENT LIABILITIES		<u>54,145</u>	<u>55,270</u>
TOTAL LIABILITIES		<u>140,123</u>	<u>168,503</u>
NET ASSETS		<u>669,566</u>	<u>667,475</u>
EQUITY			
Issued capital	18	580,118	580,118
Retained earnings	19	89,448	87,357
TOTAL EQUITY		<u>669,566</u>	<u>667,475</u>

The accompanying notes form part of these financial statements.

ADELONG & DISTRICT FINANCIAL SERVICES LIMITED
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2013

	Note	Retained earnings \$	Total \$
Balance at 1 July 2011		39,151	39,151
Profit attributable to equity shareholders		93,743	93,743
Dividends paid		(45,537)	(45,537)
Balance at 30 June 2012		87,357	87,357
Profit attributable to equity shareholders		31,558	31,558
Prior period adjustment	21	16,071	16,071
Dividends paid		(45,537)	(45,537)
Balance at 30 June 2013		89,448	89,448
 Issued Capital	 18		 580,118

The accompanying notes form part of these financial statements.

ADELONG & DISTRICT FINANCIAL SERVICES LIMITED
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2013

		2013 \$	2012 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		1,044,965	910,241
Payments to suppliers and employees		(1,012,619)	(766,179)
Interest received		601	19
Net cash provided by operating activities	20	<u>32,947</u>	<u>144,081</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(2,220)	(45,901)
Net cash used in investing activities		<u>(2,220)</u>	<u>(45,901)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		-	51,281
Repayment of borrowings		(8,211)	(8,211)
Dividends paid		(45,538)	(45,538)
Net cash used in financing activities		<u>(53,749)</u>	<u>(2,468)</u>
Net increase (decrease) in cash held		(23,022)	95,712
Cash at beginning of financial year		208,441	112,729
Cash at end of financial year	6	<u>185,419</u>	<u>208,441</u>

The accompanying notes form part of these financial statements.

ADELONG & DISTRICT FINANCIAL SERVICES LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

1 Statement of Significant Accounting Policies

The financial statements cover Adelong & District Financial Services Ltd as an individual entity. Adelong & District Financial Services Limited is a company limited by shares, incorporated and domiciled in Australia.

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards Reduced Disclosure Requirements (including Australian Accounting Interpretations) of the Australian Accounting Standards Board and the Corporations Act 2001.

Australian Accounting Standards Reduced Disclosure Requirements set out accounting policies that the AASB has concluded would result in a financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on 25 October 2013 by the directors of the company.

Accounting Policies

Income Tax

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

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense 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 (income) is charged or credited directly to equity instead of profit or loss when the tax relates to items that are recognised outside profit or loss.

ADELONG & DISTRICT FINANCIAL SERVICES LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

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 and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

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.

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) a legally enforceable right of set-off exists; and
- (b) 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.

Property, Plant and Equipment

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

Property

Freehold land and buildings are shown at their cost less accumulated depreciation for buildings.

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses.

In the event the carrying value of plant and equipment is greater than the estimated recoverable amount, the carrying value is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present.

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 company 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.

ADELONG & DISTRICT FINANCIAL SERVICES LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Depreciation

The depreciation method and useful life used for items of property, plant and equipment (excluding freehold land) reflects the pattern in which their future economic benefits are expected to be consumed by the company. Depreciation commences 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. The depreciation method and useful life of assets is reviewed annually to ensure they are still appropriate.

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

An asset's carrying amount 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 or losses are recognised in profit or loss. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised 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 purchase or sell the asset (i.e. trade date accounting 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.

Impairment of Assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include considering 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 amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that Standard.

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Intangibles

Franchise Fees

Franchise fees are recognised at cost of acquisition. Franchise fees have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. Franchise fees are amortised over their useful life of 5 years.

Trade and Other Receivables

Trade receivables are recognised initially at the transaction price (i.e. cost) and are subsequently measured at cost less provision for impairment. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

At the end of each reporting period, the carrying amount of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in statement of comprehensive income.

Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees at 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.

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 not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

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 recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

ADELONG & DISTRICT FINANCIAL SERVICES LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term investments. Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

Revenue and Other Income

Fee and other revenue is recognised when earned. All revenue is stated net of the amount of goods and services tax (GST).

Trade and Other Payables

Trade and other payables represent the liabilities at the end of the reporting period for goods and services received by the company that remain unpaid.

Trade payables are recognised at their transaction price. Trade payables are obligations on the basis of normal credit terms.

Goods and Services Tax (GST)

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

Comparative Figures

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

Loans and Borrowings

All loans are measured at the principal amount. Interest is recognised as an expense as it accrues.

Share Capital

Issued and paid up capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

	2013 \$	2012 \$
2 Revenue and Other Income		
Revenue		
Sales revenue:		
Gross Margin	758,914	668,563
Upfront Product Commission	11,661	13,575
Trailer Product Commission	134,325	122,847
Fee Income	94,610	74,525
Market Development Fund	50,000	50,000
Sundry Income	3,008	10,033
Interest received	601	19
Total revenue	<u>1,053,119</u>	<u>939,562</u>
3 Auditors' Remuneration		
Auditor's Remuneration		
Accounting Standards	<u>5,450</u>	<u>6,000</u>
4 Profit for the year		
Profit before income tax from continuing operations includes the following specific expenses:		
Expenses		
Depreciation of property, plant and equipment	28,850	32,447
Depreciation of intangibles	17,454	18,342
5 Income Tax Expense		
The components of tax expense comprise:		
Income Tax Expense	<u>12,728</u>	<u>39,857</u>

ADELONG & DISTRICT FINANCIAL SERVICES LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

	2013 \$	2012 \$
6 Cash and Cash Equivalents		
Cheque account	35,419	208,441
Investment account	150,000	-
	<u>185,419</u>	<u>208,441</u>
Reconciliation of cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:		
Cash and cash equivalents	<u>185,419</u>	<u>208,441</u>
	<u>185,419</u>	<u>208,441</u>
7 Trade and Other Receivables		
Current		
Security Deposit	-	500
Trade Debtors	100,911	92,258
	<u>100,911</u>	<u>92,758</u>
The company does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired.		
8 Other Current Assets		
Current		
Prepayments	<u>4,240</u>	<u>4,238</u>
9 Financial Assets		
Shares in Listed Companies	<u>14,152</u>	<u>11,489</u>

ADELONG & DISTRICT FINANCIAL SERVICES LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

	2013 \$	2012 \$
10 Property, Plant and Equipment		
Land and Buildings		
At cost	476,674	476,674
Less accumulated depreciation	(89,375)	(75,522)
Total Land and Buildings	<u>387,299</u>	<u>401,152</u>
Plant and Equipment:		
At cost	75,397	73,177
Less accumulated depreciation	(40,131)	(32,049)
Total Plant and Equipment	<u>35,266</u>	<u>41,128</u>
Motor Vehicles:		
At cost	36,449	36,449
Less accumulated depreciation	(15,703)	(8,788)
Total Motor Vehicles	<u>20,746</u>	<u>27,611</u>
Total Property, Plant and Equipment	<u>443,310</u>	<u>469,941</u>

Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

	Land and Buildings \$	Plant and Equipment \$	Motor Vehicles \$	Total \$
Carry amount at July 2011	433,201	24,642	-	456,487
Additions	-	9,452	36,449	45,901
Depreciation	(15,247)	(9,768)	(8,788)	(32,447)
Transfers	(16,802)	16,802	-	-
Carrying amount at June 2012	401,152	41,128	27,661	469,941
Additions	-	2,220	-	2,220
Depreciation	(13,853)	(8,082)	(6,915)	(28,850)
Carrying amount at June 2013	<u>387,299</u>	<u>35,266</u>	<u>20,746</u>	<u>433,311</u>

ADELONG & DISTRICT FINANCIAL SERVICES LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

	2013 \$	2012 \$
12 Intangible Assets		
Franchise Fee	87,268	87,268
Less: Accumulated Amortisation	<u>(61,029)</u>	<u>(43,576)</u>
Closing carrying value at 30 June 2012	<u>26,238</u>	<u>43,692</u>
13 Tax		
Assets		
Future Income Tax Benefit	<u>18,660</u>	<u>5,419</u>
Income tax receivable	<u>16,759</u>	<u>-</u>
Liabilities		
Provision for Income Tax	<u>-</u>	<u>43,217</u>
14 Trade and Other Payables		
Current		
Trade Creditors	26,393	22,851
GST Payable Control Account	17,369	16,288
Provision for Annual Leave	<u>33,096</u>	<u>21,753</u>
	<u>76,858</u>	<u>60,892</u>
15 Other Liabilities		
Current		
Accrued expenses	<u>3,000</u>	<u>3,500</u>

ADELONG & DISTRICT FINANCIAL SERVICES LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

	2013 \$	2012 \$
16 Borrowings		
Current		
Chattel mortgage - Mitsubishi Triton	8,211	8,211
Less Unexpired interest	<u>(2,091)</u>	<u>(2,587)</u>
Total current borrowings	<u>6,120</u>	<u>5,624</u>
Non-Current		
Chattel mortgage - Mitsubishi Triton	26,647	34,858
Less Unexpired interest	<u>(2,845)</u>	<u>(4,936)</u>
Total non-current borrowings	<u>23,801</u>	<u>29,922</u>
Total borrowings	<u>29,922</u>	<u>35,546</u>
17 Provisions		
Provision for Long Service Leave	<u>30,344</u>	<u>25,348</u>
Total provisions	<u>30,344</u>	<u>25,348</u>
Analysis of Total Provisions		
Non-current	<u>30,344</u>	<u>25,348</u>
	<u>30,344</u>	<u>25,348</u>
18 Issued Capital		
607,169 Ordinary Shares fully paid of \$1 each	607,169	607,169
Less: Transaction cost	<u>(27,051)</u>	<u>(27,051)</u>
	<u>580,118</u>	<u>580,118</u>

There are no externally imposed capital requirements.

There have been no changes in the strategy adopted by management to control the capital of the company since the prior year.

ADELONG & DISTRICT FINANCIAL SERVICES LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

	2013 \$	2012 \$
19 Retained Earnings		
Accumulated profits (losses) at the beginning of the financial year	39,151	39,151
Net profit attributable to members of the company	93,743	93,743
Less dividends paid	(45,537)	(45,537)
Add: Prior period adjustment	16,071	-
Retained earnings at the end of the financial year	<u>89,448</u>	<u>87,357</u>
20 Cash Flow Information		
Reconciliation of Cash Flow from Operations with Profit after Income Tax		
Profit after income tax	31,558	93,743
Non-cash flows in profit		
Amortisation	17,454	18,342
Depreciation	28,850	32,447
Changes in assets and liabilities, net of the effects of purchase and disposals of subsidiaries		
(Increase) Decrease in current receivables	(8,154)	(29,302)
(Increase) Decrease in other assets	(15,904)	(3,522)
(Increase) Decrease in prepayments	(2)	(3,395)
Increase (Decrease) in trade creditors	4,623	26,814
Increase (Decrease) in other creditors	(41,817)	(3,209)
Increase (Decrease) in current provisions	16,339	12,163
	<u>32,947</u>	<u>144,081</u>

21 Prior Period Adjustment

The adjustment relates to an over provision of income tax in the prior period.

ADELONG & DISTRICT FINANCIAL SERVICES LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

	2013	2012
	\$	\$

22 Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments and accounts receivable and payable.

Financial Risk Management Policies

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

Risk management policies are approved and reviewed by the Board of Directors on a regular basis. These included 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 2013.

23 Company Details

Adelong & District Financial Services Limited is a company limited by shares incorporated in Australia

The registered office and principal place of business is:
62 Tumut Street
Adelong NSW 2729

24 Contingent Liabilities

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

25 Director and related party disclosures

The names of directors who have held office and shares during the financial year are:

Stewart Smith	3,000	3,000
Wendy Ann Miller	3,000	3,000
James Hayes	1,000	1,000

There was no movement in Directors' shareholdings during the year.
Each share held was purchased for \$1.

ADELONG & DISTRICT FINANCIAL SERVICES LIMITED
A.B.N. 39 107 620 137

DIRECTOR'S DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 1 to 19, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards – Reduced Disclosure Requirements; and
 - (b) give a true and fair view of the financial position as at 30 June 2013 and of the performance for the year ended on that date of the company.
2. In the director's 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.

Signed: _____
Stewart MacDonald Smith - Chairman

Signed _____
James Hayes - Director

Dated this 28th day of October 2013

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ADELONG & DISTRICT FINANCIAL SERVICES LIMITED
A.B.N. 39 107 620 137**

Report on the Financial Report

We have audited the accompanying financial report of Adelong & District Financial Services Limited which comprises the statement of financial position as at 30 June 2013 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, other explanatory information and the directors' declaration.

Director's 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 Reduced Disclosure Requirements (including Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes designing, implementing 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

Auditors' 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 auditors' 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 auditors consider 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 director, 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. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the company, would be in the same terms if given to the directors as at the date of this auditor's report.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ADELONG & DISTRICT FINANCIAL SERVICES LIMITED
A.B.N. 39 107 620 137**

Auditors' Opinion

In our opinion:

- (a) the financial report of Adelong & District Financial Services Ltd 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 2013 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards Reduced Disclosure Requirements (including Australian Accounting Interpretations) and the Corporations Regulations 2001.

Name of Firm: Twomeys National Audit
Authorised Audit Company

Name of Director: _____
Steven J Watson CA

Address: 1/185 Morgan St WAGGA WAGGA NSW 2650

Dated this 28th day of October 2013

ADELONG & DISTRICT FINANCIAL SERVICES LTD

2013 Chairman's Report

Dear Shareholders

In our 9th year the Adelong Bendigo Community Bank has once again grown through trying times. In fact, apart from Wagga Branch, Adelong Bank has been the top performer in our region, with \$103 million under management. A growth of \$13million for the year.

A dividend of 7.5c per share, fully franked, was paid in August. We recommend that all shareholders make sure they have updated changes of address, email address & phone to ensure that dividends and other correspondence are delivered promptly. We also recommend arranging direct credit with the Bank Staff for prompt payments to you, as well as saving your Bank postage and handling costs. We are concerned a number of dividend cheques have not been cashed, we strongly recommend cashing the cheque as the Bank does not have the use of funds not paid out for dividends.

If shareholders have an email address we ask the Bank be notified as there is a major saving when sending Annual Reports, correspondence etc.

Gundagai Branch has continued steady growth, we are investigating putting on a full time Manager to accelerate growth.

Tumut Agency has also shown steady growth and gives our Tumut customers a facility for their banking.

Our staff have once again achieved excellent growth in our business. On behalf of our shareholders, customers and communities I congratulate them and thank them for their passion and dedication.

I also thank the Board for their interest & dedication.

During the year our community lost two staunch supporters of our Community Bank. We thank Col Molineaux & Mark Lipscomb for their faith, support and encouragement of others to support the Bank. They are greatly missed.

Sponsorships have once again reached great heights with \$100,000 going to the Adelong Post Office. The Agency was in danger of being shut and Tumut would become our closest Post Office. The Board made a decision to sponsor the Post Office, through a committee set up to manage the Op Shop, Rustic Creations and Post Office. The Bank Board has no influence over the administration of these businesses. Many other groups have benefited through sponsorship this year, they are listed below.

ADELONG & DISTRICT FINANCIAL SERVICES LTD

2013 Chairman's Report (cont.)

Most of all, I thank our shareholders and customers for their continued support, helping to support, grow and sustain our community.

List of grant and sponsorship recipients this current year

Adelong CanAssist
Adelong Community Enterprises Inc
Adelong Cricket Club
Adelong Falls Committee
Adelong Golf Club
Adelong GREG
Adelong Mens Sged
Adelong P&A Society
Adelong Pre School
Adelong Primary School
Adelong Progress Association
Adelong Showground Management
Adelong St Josephs School
Adelong St Pauls Church
AdelongBowling Club
Adelonia Community Theatre
Gundagai Adelong Racing Club
Gundagai Anglican Church
Gundagai Choir
Gundagai High School
Gundagai Neighbourhood Centre
Gundagai P&A Society
Gundagai Rodeo Club Inc
Gundagai Street Stalls
Ronald McDonald House (Regions 234)
Tumut Golf Club
Tumut High School
Tumut Show Society
Tumut St Vincent de Paul Society
Tumut Monteval Community Theatre

Bendigo and Adelaide Bank report

For year ending 30 June 2013

This year has marked two very significant milestones for the **Community Bank®** network, celebrating its 15th anniversary of operation while also reaching \$100 million in community contributions. Both achievements could not have been accomplished without your ongoing support as shareholders and customers.

The **Community Bank®** network has grown considerably since it was first launched in 1998, in partnership with the people from the western Victorian farming towns of Rupanyup and Minyip. For these communities the **Community Bank®** model was seen as a way to restore branch banking services to the towns, after the last of the major banks closed its services. But in the years since, the **Community Bank®** model has become so much more.

The **Community Bank®** network has returned more than \$20 million in contributions to local communities in this financial year alone. Our branches have been able to fund health services, sports programs, aged care facilities, education initiatives, community events and much more.

These contributions have come at a time of continued economic uncertainty, and shows the high level of support the **Community Bank®** model has in the communities in which it operates.

While our established branches grow their business at a healthy rate, demand for the model in other communities continues to be strong. There are currently another 40 **Community Bank®** sites in development, and 15 new branches are expected to open in the next 12 months.

At the end of the financial year 2012/13 the **Community Bank®** network had achieved the following:

Returns to community — **\$102 million**

Community Bank® branches — 298

Community Bank® branch staff — more than 1,460

Community Bank® company Directors — 1,925

Banking business — \$24.46 billion

Customers — 640,159

Shareholders — 72,062

Dividends paid to shareholders since inception — \$30.88 million.

Bendigo and Adelaide Bank report (cont,)

Adelong Community Bank® has played a key role in these milestones, returning more than \$500,000 to our local community with a further \$212,509 in dividends returned to our local shareholders.

Almost 300 communities have now partnered with Bendigo and Adelaide Bank, to not only enhance banking services, but more importantly take the profits their banking business generates and reinvest it in local groups and projects that will ultimately strengthen their community. This \$100 million goes to new community facilities, improved services, more opportunities for community engagement activities and generally speaking, a more prosperous society.

The communities we partner with also have access to Bendigo and Adelaide Bank's extensive range of other community building solutions including the Community Enterprise Foundation™ (philanthropic arm), Community Sector Banking (banking service for not-for-profit organisations), Generation Green™ (environment and sustainability initiative), Community Telco® (telecommunications solution), tertiary education scholarships and Community Enterprises that provide **Community Bank®** companies with further development options.

In Bendigo and Adelaide Bank, your **Community Bank®** company has a committed and strong partner and over the last financial year our company has continued its solid performance.

