

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

**FINANCIAL REPORT**  
**FOR THE YEAR ENDED**  
**30 JUNE 2014**

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

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

**DIRECTORS' REPORT**

Your directors present this report on the company for the financial year ended 30 June 2014.

**Directors**

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

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

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

**Operating Results**

The profit of the company after providing for income tax amounted to \$49,954 (2013: \$31,558)

**Significant Changes in the State of Affairs**

There have been no significant changes in the state of affairs of the Company during the 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 changes in the nature of the company's activity occurred during the financial 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.

**Dividends**

A dividend of \$45,538 was paid on 14 August 2013 which related to the financial year ended 30 June 2013

The directors have approved the payment of a dividend in relation to the financial year ended 30 June 2014 to the value of \$45,538. This was paid on 14<sup>th</sup> August 2014.

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

**DIRECTORS' REPORT**

**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**

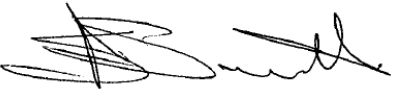
No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

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 18<sup>th</sup> day of September 2014**

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

We declare that, to the best of our knowledge and belief, during the year ended 30 June 2014 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  
Authorised Audit Company



**Name of Director:** \_\_\_\_\_  
Steven J Watson CA

**Address:** 1/185 Morgan St WAGGA WAGGA NSW 2650

**Dated this 18<sup>th</sup> day of September 2014**

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

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2014**

	Note	2014 \$	2013 \$
Revenue	2	1,033,045	1,053,119
Automated teller machine costs		(28,152)	(28,707)
Advertising expenses		(18,847)	(17,173)
Auditors' remuneration	3	(6,000)	(5,450)
Community grants		(111,727)	(187,428)
Depreciation and amortisation expenses		(42,635)	(46,304)
Employee benefits expenses		(490,574)	(443,907)
Freight, cartage and delivery		(41,553)	(41,165)
I.T cost		(41,638)	(41,594)
Occupancy cost		(60,781)	(79,367)
Other expenses		(121,894)	(117,738)
<b>Profit before income tax</b>	<b>4</b>	<b>69,244</b>	<b>44,286</b>
Income tax expense	5	(19,290)	(12,728)
<b>Profit for the year</b>		<b>49,954</b>	<b>31,558</b>
<b>Total comprehensive income for the year</b>		<b>49,954</b>	<b>31,558</b>
Total comprehensive income attributable to members of the entity		49,954	31,558
Earnings per share (cents per share)			
-basic for profit/(loss) for the year		0.08	0.05
-diluted for profit/(loss) for the year		0.08	0.05

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 2014**

	Note	2014 \$	2013 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	264,373	185,419
Trade and other receivables	7	88,370	100,912
Other current assets	8	4,431	4,240
Tax assets	12	819	16,759
Financial assets	9	26,596	14,152
<b>TOTAL CURRENT ASSETS</b>		<u>384,589</u>	<u>290,571</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	10	418,130	443,310
Intangible assets	11	8,785	26,238
Tax assets	12	20,507	18,660
<b>TOTAL NON-CURRENT ASSETS</b>		<u>447,422</u>	<u>502,360</u>
<b>TOTAL ASSETS</b>		<u>832,011</u>	<u>792,931</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	13	91,665	76,858
Other current liabilities	14	3,000	3,000
Borrowings	15	6,575	6,120
<b>TOTAL CURRENT LIABILITIES</b>		<u>101,240</u>	<u>63,099</u>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	15	17,266	23,801
Provisions	16	39,521	30,344
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>56,787</u>	<u>60,266</u>
<b>TOTAL LIABILITIES</b>		<u>158,027</u>	<u>123,365</u>
<b>NET ASSETS</b>		<u>673,983</u>	<u>669,566</u>
<b>EQUITY</b>			
Issued capital	17	580,118	580,118
Retained earnings	18	93,865	89,448
<b>TOTAL EQUITY</b>		<u>673,983</u>	<u>669,566</u>

The accompanying notes form part of these financial statements.

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

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2014**

	Note	Retained earnings \$	Total \$
		<u>          </u>	<u>          </u>
<b>Balance at 30 June 2012</b>		87,357	87,357
Profit attributable to equity shareholders		31,558	31,558
Prior period adjustment	20	16,071	16,071
Dividends paid		(45,537)	(45,537)
<b>Balance at 30 June 2013</b>		<u>89,448</u>	<u>89,448</u>
Profit attributable to equity shareholders		49,954	49,954
Dividends paid		(45,537)	(45,537)
<b>Balance at 30 June 2014</b>		<u>93,865</u>	<u>93,865</u>
 <b>Issued Capital</b>	 17		 <u>580,118</u>

The accompanying notes form part of these financial statements.



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

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

	Note	2014 \$	2013 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		1,026,130	1,044,965
Payments to suppliers and employees		(900,151)	(1,012,619)
Interest received		6,724	601
<b>Net cash provided by operating activities</b>	<b>20</b>	<u>132,703</u>	<u>32,947</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for plant and equipment		-	(2,220)
<b>Net cash provided by (used in) investing activities</b>		<u>-</u>	<u>(2,220)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings		(8,211)	(8,211)
Dividends paid		(45,538)	(45,538)
<b>Net cash used in financing activities</b>		<u>(53,749)</u>	<u>(53,749)</u>
Net increase (decrease) in cash held		78,954	(23,022)
Cash at beginning of financial year		185,419	208,441
Cash at end of financial year	<b>6</b>	<u>264,373</u>	<u>185,419</u>

The accompanying notes form part of these financial statements.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

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**1 Summary of Significant Accounting Policies**

The financial statements cover Adelong & District Financial Services Limited 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 18 September 2014 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.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

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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.

Asset are carried at cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

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**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 2014**

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**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.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

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**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.

**ADELONG & DISTRICT FINANCIAL SERVICES LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>2 Revenue and Other Income</b>		
<b>Revenue</b>		
Sales revenue:		
Gross Margin	726,888	758,914
Upfront Product Commission	13,710	11,661
Trailer Product Commission	135,764	134,325
Fee Income	95,013	94,610
Market Development Fund	50,000	50,000
Sundry Income	4,946	3,008
Interest received	6,724	601
Total revenue	<u>1,033,045</u>	<u>1,053,119</u>
<b>3 Auditors' Remuneration</b>		
<b>Auditor's Remuneration</b>		
Accounting Standards	<u>6,000</u>	<u>5,450</u>
<b>4 Profit for the year</b>		
Profit before income tax from continuing operations includes the following specific expenses:		
<b>Expenses</b>		
Depreciation of property, plant and equipment	25,181	28,850
Depreciation of intangibles	17,453	17,454
<b>5 Income Tax Expense</b>		
The components of tax expense comprise:		
Income Tax Expense	<u>19,290</u>	<u>12,728</u>

**ADELONG & DISTRICT FINANCIAL SERVICES LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>6 Cash and Cash Equivalents</b>		
Cheque account	85,933	35,419
Investment account	<u>178,440</u>	<u>150,000</u>
	<u>264,373</u>	<u>185,419</u>
<b>Reconciliation of cash</b>		
Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:		
Cash and cash equivalents	<u>264,373</u>	<u>185,419</u>
	<u>264,373</u>	<u>185,419</u>
<b>7 Trade and Other Receivables</b>		
<b>Current</b>		
Trade Debtors	<u>88,370</u>	<u>100,912</u>
The company does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired.		
<b>8 Other Current Assets</b>		
<b>Current</b>		
Prepayments	<u>4,431</u>	<u>4,240</u>
<b>9 Financial Assets</b>		
Shares in listed companies at market value	<u>26,596</u>	<u>14,152</u>



**ADELONG & DISTRICT FINANCIAL SERVICES LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>10 Property, Plant and Equipment</b>		
<b>Land</b>		
At cost	<u>84,340</u>	<u>84,340</u>
<b>Buildings</b>		
At cost	392,334	392,334
Less accumulated depreciation	<u>(103,228)</u>	<u>(89,375)</u>
<b>Total Buildings</b>	<u>289,105</u>	<u>302,959</u>
<b>Plant and Equipment:</b>		
At cost	75,397	75,397
Less accumulated depreciation	<u>(46,272)</u>	<u>(40,131)</u>
<b>Total Plant and Equipment</b>	<u>29,125</u>	<u>35,266</u>
<b>Motor Vehicles:</b>		
At cost	36,449	36,449
Less accumulated depreciation	<u>(20,890)</u>	<u>(15,703)</u>
<b>Total Motor Vehicles</b>	<u>15,559</u>	<u>20,746</u>
<b>Total Property, Plant and Equipment</b>	<u>418,130</u>	<u>443,310</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	Buildings	Plant and Equipment	Motor Vehicles	Total
	\$	\$	\$	\$	\$
Carry amount at July 2012	84,340	316,812	41,128	27,661	469,941
Additions	-	-	2,220	-	2,220
Depreciation	-	<u>(13,853)</u>	<u>(8,082)</u>	<u>(6,915)</u>	<u>(28,850)</u>
Carrying amount at June 2013	84,340	302,959	35,266	20,746	443,311
Additions	-	-	-	-	-
Depreciation	-	<u>(13,853)</u>	<u>(6,141)</u>	<u>(5,187)</u>	<u>(25,181)</u>
Carrying amount at June 2014	<u>84,340</u>	<u>289,106</u>	<u>29,125</u>	<u>15,559</u>	<u>418,130</u>

**ADELONG & DISTRICT FINANCIAL SERVICES LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<hr/>		
<b>11 Intangible Assets</b>		
Franchise Fee	87,268	87,268
Less: Accumulated Amortisation	<u>(78,483)</u>	<u>(61,029)</u>
Closing carrying value at 30 June 2014	<u>8,785</u>	<u>26,238</u>
<b>12 Tax Assets</b>		
<b>Current</b>		
Income tax receivable	<u>819</u>	<u>16,759</u>
<b>Non-Current</b>		
Future income tax benefit	<u>20,507</u>	<u>18,660</u>
<b>13 Trade and Other Payables</b>		
<b>Current</b>		
Trade Creditors	47,286	26,393
GST Payable Control Account	14,111	17,369
Provision for Annual Leave	<u>30,268</u>	<u>33,096</u>
	<u>91,665</u>	<u>76,858</u>
<b>14 Other Liabilities</b>		
<b>Current</b>		
Accrued expenses	<u>3,000</u>	<u>3,000</u>

**ADELONG & DISTRICT FINANCIAL SERVICES LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>15 Borrowings</b>		
<b>Current</b>		
Chattel mortgage - Mitsubishi Triton	8,211	8,211
Less Unexpired interest	<u>(1,636)</u>	<u>(2,091)</u>
Total current borrowings	<u>6,575</u>	<u>6,120</u>
<b>Non-Current</b>		
Chattel mortgage - Mitsubishi Triton	18,436	26,647
Less Unexpired interest	<u>(1,170)</u>	<u>(2,845)</u>
Total non-current borrowings	<u>17,266</u>	<u>23,801</u>
Total borrowings	<u>23,841</u>	<u>29,922</u>
<b>16 Provisions</b>		
Provision for Long Service Leave	<u>39,521</u>	<u>30,344</u>
<b>Total provisions</b>	<u>39,521</u>	<u>30,344</u>
<b>Analysis of Total Provisions</b>		
Non-current	<u>39,521</u>	<u>30,344</u>
	<u>39,521</u>	<u>30,344</u>
<b>17 Issued Capital</b>		
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**  
**A.B.N. 39 107 620 137**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<hr/>		
<b>18 Retained Earnings</b>		
Accumulated profits (losses) at the beginning of the financial year	89,448	87,357
Net profit attributable to members of the company	49,954	31,558
Less dividends paid	(45,537)	(45,537)
Add: Prior period adjustment	-	16,071
Retained earnings at the end of the financial year	93,865	89,448
<b>19 Cash Flow Information</b>		
<b>Reconciliation of Cash Flow from Operations with Profit after Income Tax</b>		
Profit after income tax	49,954	31,558
<b>Non-cash flows in profit</b>		
Amortisation	17,453	17,454
Depreciation	25,181	28,850
<b>Changes in assets and liabilities, net of the effects of purchase and disposals of subsidiaries</b>		
(Increase) Decrease in current receivables	12,542	(8,154)
(Increase) Decrease in other assets	3,779	(15,904)
(Increase) Decrease in prepayments	(191)	(2)
Increase (Decrease) in trade creditors	14,807	4,623
Increase (Decrease) in other creditors	-	(41,816)
Increase (Decrease) in current provisions	9,177	16,339
	132,703	32,948

**20 Prior Period Adjustment**

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

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

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	2014	2013
	\$	\$

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**21 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 2014.

**22 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

**23 Contingent Liabilities**

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

**24 Director and related parties disclosures**

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

Stewart Smith	2,751	2,751
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**

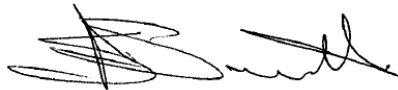
**DIRECTORS' DECLARATION**

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 Australian Accounting Standards – Reduced Disclosure Requirements; and
  - (b) give a true and fair view of the financial position as at 30 June 2014 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 18<sup>th</sup> day of September 2014**

**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 2014 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.

**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 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 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 2014 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 18<sup>th</sup> day of September 2014**