

AGT Financial Services Ltd



ANNUAL REPORT



2015

AGT FINANCIAL SERVICES LTD

ABN 39 107 620 137

ANNUAL REPORT FOR THE YEAR ENDED

30TH JUNE 2015

AGT FINANCIAL SERVICES LTD

ABN 39 107 620 137

CONTENTS

Directors' report	1
Auditor's independence report	3
Financial reports	4
Notes to financial statements	8
Directors' declaration	20
Auditors report	21
Chairman's report	23
Managers' report	24

AGT FINANCIAL SERVICES LIMITED
A.B.N. 39 107 620 137

FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2015

AGT FINANCIAL SERVICES LIMITED
A.B.N. 39 107 620 137

CONTENTS

Directors' Report	1
Auditors' Independence Declaration	3
Statement of Comprehensive Income	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Notes to the Financial Statements	8
Directors' Declaration	20
Independent Auditors' Report	21

AGT 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 2015.

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 Smith	Chairman	Farmer	8 of 10
James Hayes	Vice Chairman	School Teacher	8 of 10
Wendy Miller	Director	Home Duties	8 of 10
Ross Tout	Director	Accountant	8 of 10
Ian Robson	Director	Farmer	9 of 10
Keith Chappell (Resigned 24/2/2015)	Director	Retired	4 of 10
David Boston (Resigned 24/2/2015)	Director	Retired	4 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 \$56,556 (2014: \$49,954)

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 \$45,537 was paid on 14 August 2014 which related to the financial year ended 30 June 2014.

The directors have approved the payment of a dividend in relation to the financial year ended 30 June 2015 to the value of \$45,537. This was paid on 14th August 2015.

AGT 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 Branch 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 Branch 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.

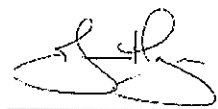
Signed in accordance with a resolution of the Board of Directors:

Signed:



Stewart Smith - Chairman

Signed



James Hayes - Director

Dated this 16th day of October 2015

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

We declare that, to the best of our 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.

Name of Firm: Countplus National Audits Pty Ltd
Authorised Audit Company

Name of Director:



Steven J Watson CA

Address: 1/185 Morgan St WAGGA WAGGA NSW 2650

Dated this 19th day of October 2015

AGT FINANCIAL SERVICES LIMITED
A.B.N. 39 107 620 137

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 \$	2014 \$
Revenue	2	999,636	1,033,045
Automated teller machine costs		(29,143)	(28,152)
Advertising expenses		(28,755)	(18,847)
Auditors' remuneration		(7,000)	(6,000)
Community grants		(46,813)	(111,727)
Depreciation and amortisation expenses	3	(44,844)	(42,635)
Employee benefits expenses		(506,965)	(490,574)
Freight, cartage and delivery		(38,821)	(41,553)
I.T cost		(41,797)	(41,638)
Occupancy cost		(62,827)	(60,781)
Other expenses		(111,517)	(121,894)
Profit before income tax		81,244	69,244
Income tax expense	4	(24,688)	(19,290)
Profit for the year		56,556	49,954
Total comprehensive income for the year		56,556	49,954
Total comprehensive income attributable to shareholders of the entity		56,556	49,954
Earnings per share (cents per share)			
-basic for profit/(loss) for the year		0.09	0.08
-diluted for profit/(loss) for the year		0.09	0.08

The accompanying notes form part of these financial statements.

AGT FINANCIAL SERVICES LIMITED
A.B.N. 39 107 620 137

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

	Note	2015 \$	2014 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	233,184	264,373
Trade and other receivables	6	92,207	88,370
Other current assets	7	868	4,431
Financial assets	8	28,592	26,596
TOTAL CURRENT ASSETS		<u>354,853</u>	<u>383,770</u>
NON-CURRENT ASSETS			
Property, plant and equipment	9	412,600	418,130
Intangible assets	10	52,990	8,785
Tax assets	11	24,178	20,507
TOTAL NON-CURRENT ASSETS		<u>489,768</u>	<u>447,422</u>
TOTAL ASSETS		<u>844,621</u>	<u>832,011</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	12	39,775	61,397
Other current liabilities	13	3,000	3,000
Borrowings	14	6,722	6,575
Provision for employee entitlements	15	31,639	30,268
Other Provisions	16	14,996	(819)
TOTAL CURRENT LIABILITIES		<u>96,132</u>	<u>101,240</u>
NON-CURRENT LIABILITIES			
Borrowings	14	16,662	17,266
Provision for employee entitlements	15	46,823	39,521
TOTAL NON-CURRENT LIABILITIES		<u>63,485</u>	<u>56,787</u>
TOTAL LIABILITIES		<u>159,617</u>	<u>158,027</u>
NET ASSETS		<u>685,002</u>	<u>673,983</u>
EQUITY			
Issued capital	16	580,118	580,118
Retained earnings	17	104,884	93,865
TOTAL EQUITY		<u>685,002</u>	<u>673,983</u>

The accompanying notes form part of these financial statements.

AGT FINANCIAL SERVICES LIMITED
A.B.N. 39 107 620 137

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

	Note	Retained earnings \$	Total \$
Balance at 30 June 2013		89,448	89,448
Profit attributable to equity shareholders		49,954	49,954
Dividends paid		<u>(45,537)</u>	<u>(45,537)</u>
Balance at 30 June 2014		93,865	93,865
Profit attributable to equity shareholders		56,556	56,556
Dividends paid		<u>(45,537)</u>	<u>(45,537)</u>
Balance at 30 June 2015		<u>104,884</u>	<u>104,884</u>
 Issued Capital	 17		 <u>580,118</u>

The accompanying notes form part of these financial statements.

AGT FINANCIAL SERVICES LIMITED
A.B.N. 39 107 620 137

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 \$	2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		993,865	1,026,130
Payments to suppliers and employees		(899,031)	(900,151)
Interest received		<u>2,774</u>	<u>6,724</u>
Net cash provided by operating activities		<u>97,608</u>	<u>132,703</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		(27,374)	-
Payments for franchise fee		(68,056)	-
Receipts for plant & equipment		<u>12,727</u>	<u>-</u>
Net cash provided by (used in) investing activities		<u>(82,703)</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		(25,062)	(8,211)
Receipts for borrowings		24,505	-
Dividends paid		<u>(45,537)</u>	<u>(45,537)</u>
Net cash used in financing activities		<u>(46,094)</u>	<u>(53,749)</u>
Net increase (decrease) in cash held		(31,189)	78,954
Cash at beginning of financial year		<u>264,373</u>	<u>185,419</u>
Cash at end of financial year	5	<u>233,184</u>	<u>264,373</u>

The accompanying notes form part of these financial statements.

AGT FINANCIAL SERVICES LIMITED
A.B.N. 39 107 620 137

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

1 Summary of Significant Accounting Policies

The financial statements cover AGT Financial Services Limited as an individual entity. AGT 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 16 October 2015 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.

AGT FINANCIAL SERVICES LIMITED
A.B.N. 39 107 620 137

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

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.

AGT FINANCIAL SERVICES LIMITED
A.B.N. 39 107 620 137

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

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.

AGT FINANCIAL SERVICES LIMITED
A.B.N. 39 107 620 137

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

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.

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.

AGT FINANCIAL SERVICES LIMITED
A.B.N. 39 107 620 137

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

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.

AGT FINANCIAL SERVICES LIMITED
A.B.N. 39 107 620 137

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

	2015 \$	2014 \$
2 Revenue and Other Income		
Revenue		
Sales revenue:		
Gross Margin	677,659	726,888
Upfront Product Commission	17,582	13,710
Trailer Product Commission	148,374	135,764
Fee Income	100,980	95,013
Market Development Fund	50,000	50,000
Sundry Income	2,268	4,946
Interest received	2,773	6,724
Total revenue	<u>999,636</u>	<u>1,033,045</u>
3 Profit for the year		
Profit before income tax from continuing operations includes the following specific expenses:		
Expenses		
Depreciation of property, plant and equipment	20,904	25,181
Amortisation of intangibles	23,851	17,453
4 Income Tax Expense		
The components of tax expense comprise:		
Income Tax Expense	<u>24,688</u>	<u>19,290</u>

AGT FINANCIAL SERVICES LIMITED
A.B.N. 39 107 620 137

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

	2015 \$	2014 \$
5 Cash and Cash Equivalents		
Cheque account	151,983	85,933
Investment account	<u>81,201</u>	<u>178,440</u>
	<u>233,184</u>	<u>264,373</u>
6 Trade and Other Receivables		
Current		
Trade Debtors	<u>92,207</u>	<u>88,370</u>
The company does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired.		
7 Other Current Assets		
Current		
Prepayments	<u>868</u>	<u>4,431</u>
8 Financial Assets		
Shares in listed companies at market value	<u>28,592</u>	<u>26,596</u>

AGT FINANCIAL SERVICES LIMITED
A.B.N. 39 107 620 137

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

	2015 \$	2014 \$
9 Property, Plant and Equipment		
Land		
At cost	84,340	84,340
Buildings		
At cost	397,523	392,334
Less accumulated depreciation	(117,542)	(103,228)
Total Buildings	279,981	289,105
Plant and Equipment:		
At cost	75,397	75,397
Less accumulated depreciation	(48,756)	(46,272)
Total Plant and Equipment	26,641	29,125
Motor Vehicles:		
At cost	22,185	36,449
Less accumulated depreciation	(547)	(20,890)
Total Motor Vehicles	21,638	15,559
Total Property, Plant and Equipment	412,600	418,130

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
	\$	\$	\$	\$	\$
Carrying amount at June 2013	84,340	302,959	35,266	20,746	443,311
Depreciation	-	(13,853)	(6,141)	(5,187)	(25,181)
Carrying amount at June 2014	84,340	289,106	29,125	15,559	418,130
Additions	-	5,190	-	22,185	27,375
Disposals	-	-	-	(12,000)	(12,000)
Depreciation	-	(14,315)	(2,484)	(4,106)	(20,905)
Carrying amount at June 2015	84,340	279,981	26,641	21,638	412,600

AGT FINANCIAL SERVICES LIMITED
A.B.N. 39 107 620 137

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

	2015 \$	2014 \$
10 Intangible Assets		
Franchise Fee	76,713	87,268
Less: Accumulated Amortisation	<u>(23,723)</u>	<u>(78,483)</u>
	<u>52,990</u>	<u>8,785</u>
11 Tax Assets		
Non-Current		
Future income tax benefit	<u>24,178</u>	<u>20,507</u>
12 Trade and Other Payables		
Current		
Trade Creditors	23,706	47,286
GST Payable Control Account	<u>16,069</u>	<u>14,111</u>
	<u>39,775</u>	<u>61,397</u>
13 Other Liabilities		
Current		
Accrued expenses	<u>3,000</u>	<u>3,000</u>

AGT FINANCIAL SERVICES LIMITED
A.B.N. 39 107 620 137

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

	2015 \$	2014 \$
14 Borrowings		
Current		
Chattel mortgage - Mitsubishi Triton	-	8,211
Less Unexpired interest	-	(1,636)
Bendigo Bank – Corolla Loan	6,722	-
Total current borrowings	<u>6,722</u>	<u>6,575</u>
Non-Current		
Chattel mortgage - Mitsubishi Triton	-	18,436
Less Unexpired interest	-	(1,170)
Bendigo Bank – Corolla Loan	16,662	-
Total non-current borrowings	<u>16,662</u>	<u>17,266</u>
Total borrowings	<u>23,284</u>	<u>23,841</u>
15 Provisions for Employee Entitlements		
Current		
Provision for annual leave	<u>31,639</u>	<u>30,268</u>
	<u>31,639</u>	<u>30,268</u>
Non-current		
Provision for Long Service Leave	<u>46,823</u>	<u>39,521</u>
	<u>46,823</u>	<u>39,521</u>
16 Other Provisions		
Provision for Company tax	<u>14,996</u>	<u>(819)</u>
17 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.

AGT FINANCIAL SERVICES LIMITED
A.B.N. 39 107 620 137

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	\$	\$
<hr/>		
18 Retained Earnings		
Accumulated profits (losses) at the beginning of the financial year	93,865	89,448
Net profit attributable to members of the company	56,556	49,954
Less dividends paid	(45,537)	(45,537)
Retained earnings at the end of the financial year	<u>104,884</u>	<u>93,865</u>

19 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 2015.

20 Company Details

AGT 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

21 Contingent Liabilities/Assets, Subsequent Events & Commitments

There were no contingent liabilities/assets, subsequent events & commitments at the date of this report to affect the financial statements.

AGT FINANCIAL SERVICES LIMITED
A.B.N. 39 107 620 137

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	\$	\$
<hr/>		
22 Key Management Personnel		
a) Details of key management personnel		
The names of each person who is classified as key management personnel of AGT Financial Services Limited during the financial year were:		
Name	Position	
Stewart Smith	Chairman	
James Hayes	Vice Chairman	
Wendy Miller	Director	
Ross Tout	Director	
Ian Robson	Director	
Keith Chappell (Resigned 24/2/2015)	Director	
David Boston (Resigned 24/2/2015)	Director	
Peter Watson	Branch Manager	
Tamie Haley	Branch Manager	
b) Related party transactions		
The following related party transactions occurred during the year:		
- A branch manager of AGT Financial Services Limited purchased a Mitsubishi Triton from the entity at the price \$14,000 GST inclusive.		
- The following directors held office and shares during the financial year:		
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.		
Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated.		
c) Key management personnel compensation		
AGT Financial Services has chosen to not comply with AASB 124 so as not to breach confidentiality of key management personnel.		

AGT 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 except the non-compliance with AASB 124 in Note 22; 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. 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 Smith - Chairman

Signed



James Hayes - Director

Dated this 16th day of October 2015

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF AGT FINANCIAL SERVICES LIMITED
A.B.N. 39 107 620 137**

Report on the Financial Report

We have audited the accompanying financial report of AGT Financial Services Limited 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, 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 AUDITORS' REPORT
TO THE MEMBERS OF AGT FINANCIAL SERVICES LIMITED
A.B.N. 39 107 620 137**

Auditors' Opinion

In our opinion:

- (a) the financial report of AGT 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 Reduced Disclosure Requirements (including Australian Accounting Interpretations), except for the non-compliance with AASB 124 in Note 22, and the Corporations Regulations 2001.

Emphasis of the Matter

We draw attention to Note 22 'Related Party Disclosures' to the financial statements which describes the non-compliance with AASB 124 as chosen by AGT Financial Services Pty Ltd so as not to breach confidentiality of the Company.

Name of Firm: Countplus National Audits
Authorised Audit Company

Name of Director:



Steven J Watson CA

Address: 1/185 Morgan St WAGGA WAGGA NSW 2650

Dated this 19 day of October 2015

Chairman's Report

A tougher year for your Bank. Major factors include the effect of low interest rates, higher cost of borrowing (the Big Four banks have a higher credit rating so can access money at lower cost), a number of properties sold so loans redeemed and a lower return via our shared partnership with Bendigo Bank. The latter has us a little confused as our staff have achieved good growth & yet our return per \$million per month, our benchmarking gauge, has dropped from over \$1,000 to the mid \$700's. We are not pointing the finger as we have had a great relationship with the Bank and continue to do so.

Bendigo is going through a restructure with relation to Community Banks, called Project Horizon, and some changes will happen within our franchise agreement. We are seeking legal opinion as to our options as we have a choice to either stay with the original franchise agreement or go with the new agreement offered by Bendigo. Because of Project Horizon we can see that we need to make Gundagai a full branch. Up to now it has been a sub branch. As it is nearing profitability the logical move for the Board is to move to full branch level, thus accessing the Market Development Fund. This Fund is paid to Community Banks as an advertising/marketing fund for promotion of the Banks. This will mean we will have two franchise payments each 5 years but the board is looking at the benefits leading to Gundagai being a stand alone Bank. Gundagai residents will greatly benefit from this move while it will still be under AGT Financial Services control.

Tumut Agency continues to perform well and our Manager, Peter, tells us that a lot of our business growth is coming from Tumut now.

Shareholder's will be very happy to see another dividend of 7.5c per share, fully franked. Because of the share price remaining at \$1 per share, this equates to about 8% return on investment depending on shareholder's income. Shares are available. They offer a great return in these times of low interest rates, please contact our staff if you are interested.

Our great staff have once again shown their passion for your Community Bank. With \$120 million under management we owe them a resounding acclamation! For a small country town to have achieved the growth plus put arguably more than a \$million value back into your community, based on grants, sponsorships, support for the main street, Post Office, employment etc. is a fantastic achievement.

Which brings me to the observation that a lot of local people still do not support the Community Bank. I have always thought, people pulled together in a small town, as a team. The benefits to the town and district are obvious. I would go so far to say that the people who don't support our Community Bank are showing a total lack of community, enjoying the great benefits the Bank has achieved while showing no support.

We have welcomed two new Board members, Glen Soall who has extensive experience in business and Raechal Weaver who has financial and business experience. I strongly recommend they be approved at this AGM. They have already shown great empathy for community awareness and support.

Stewart

MANAGERS' REPORT

Despite the doom and gloom that exists throughout the economy, your Community Bank® has continued to grow and to generate profits. Our main growth comes from the personal home loan sector and that has remained fairly buoyant in our area during the period under review. Unlike the capital cities, there has not been an explosion in the prices being sought, and paid, for residential properties. One adverse statistic was revealed earlier this year that Tumut Shire was one of only three areas where real estate values according to the Land Titles Office, actually fell - the others being Wilcannia and Brewarrina.

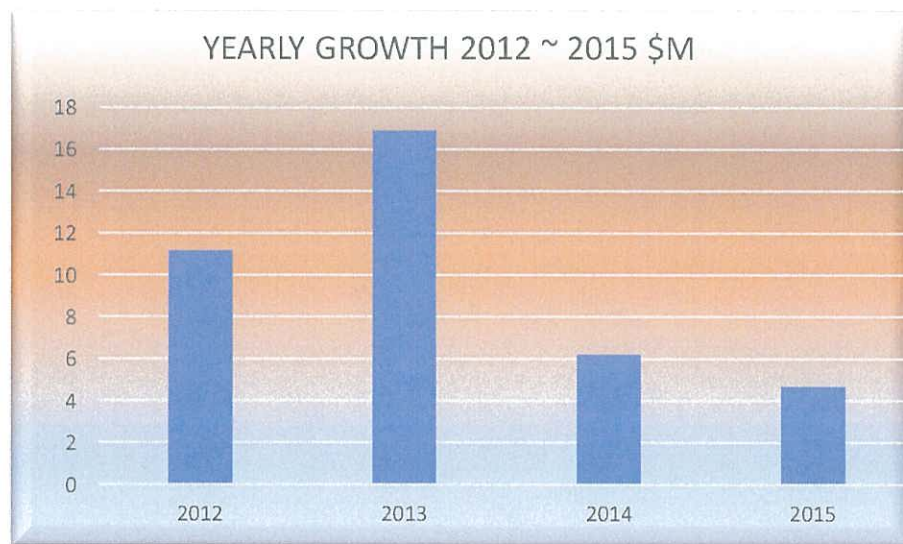
Following the trend set in previous years, we are finding good growth coming from outside the town of Adelong. Again we must acknowledge the positive effect that our Agency in Tumut has had on our customer growth. We must thank Ray Piper and the staff at Elders in Tumut for the great service they provide. Customer and account numbers continue to grow, as at 30/6/15 we have 2,625 customers (2014 ~ 2179) with a total of 3,868 accounts (2014 ~ 3,549)

In recent times we have expanded the boundaries in which we work and your Company is now represented in Adelong of course, as well as Gundagai, Tumut, and now Junee where we have taken on a Bendigo Bank agency operating in PRD real estate. It is interesting where our total client base extends and we do have a number of customers in Junee as well as Cootamundra which we hope to expand upon by taking on the Junee Agency.

In Gundagai we have had some changes, having lost some staff last year, we have been lucky to find some very capable replacements in Clare and Monique. They are both locals to Gundagai and are proving to be very competent.

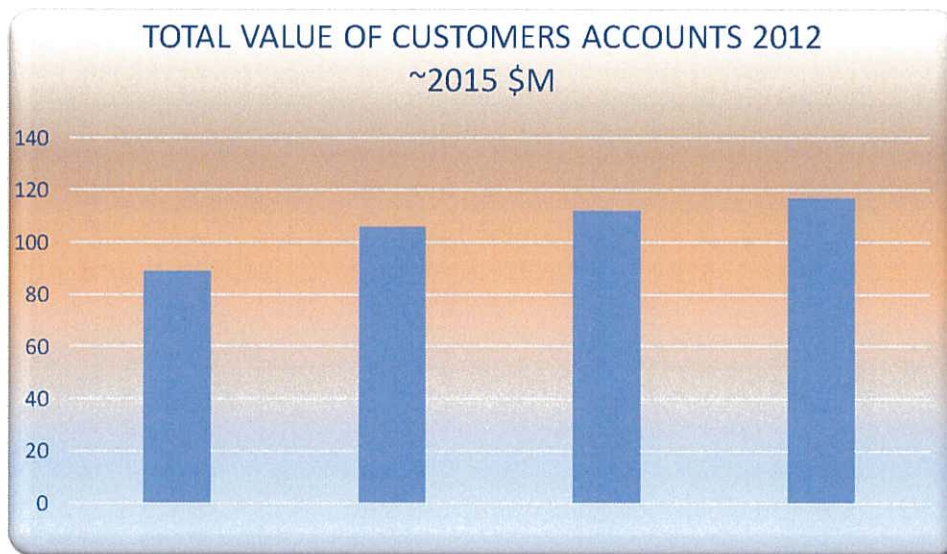
Bendigo and Adelaide Bank is in the middle of a process to update and revitalise the Community Bank® model. It is more than fifteen years since the first Community Bank® branch opened and there is no doubt that the concept has brought great benefits to many small towns like ours. Again though without doubt, there is obviously need for change, to update the model on which the Community Bank® branches operate. The Bank is to be lauded for creating the change necessary through time, stagnation is not a good business plan. However, part of the updated

model includes changes to the methodology used by Bendigo Bank in calculating the profit share between the bank and the Community Bank® branches. Whilst these new methods will be of benefit to some Community Bank® branches, in our case we will see a loss of income which will affect our bottom line. We have endured the GFC fairly well in our region and have shown continued growth throughout these times of trouble which have so adversely affected many parts of the world and indeed parts of Australia. As can be seen from the following graph, our growth over the last four years has been very steady, but has taken a lot of hard work to maintain.



The story behind the growth figures is that the sharp increases in 2012 and 2013 followed the opening of the sub branch in Gundagai. Subsequently, we find that that the net growth has fallen on an annual basis due, in the main, to the age of our Company. After 11 years of operations, we now find that loans written in the early years are maturing at a greater rate than new growth can keep up with. In the year to 30/6/15, we approved new loans totalling in excess of \$12m but you can see our growth was only \$4.6m.

Our overall portfolio however continues to grow as shown in the following graph showing the size of our book over the same four years.



There is pressure on and income and subsequently profits, due to that dreaded GFC. With interest rates at an all time low, the margin we make on lending is being squeezed. It is a great time for home buyers but a very sad time for self funded retirees. The following graph shows our profit figures, again over the four years to 2015. The figures shown are earnings before tax and depreciation. As the community support payments vary greatly from year to year, grants and sponsorships have also not been deducted from the profit figures shown in this graph.



As mentioned earlier, Bendigo and Adelaide Bank are changing the profit share calculations and this will have an adverse effect on our income from the year beginning 1/7/2016.

The Board has taken steps to overcome to some extent the adverse effect these changes will have on our income. The staff structure has been changed, the Gundagai Sub Branch will be upgraded to a full branch, and we have taken on the Junee agency to expand the sphere of our market area.

On behalf of all of our staff, we look forward to the year ahead and the changes which are occurring. With the continued support of the board we feel the challenges ahead will be met and we will enhance our company, continuing to generate growth and income supporting our shareholders investment in the Community Bank®. We trust that we will receive the support of the shareholders to help the continued growth of the company.

Every shareholder would be fully supporting their own company we know and we request, please take every opportunity to promote your Community Bank®,

Peter Watson
Stephanie Smyth

