Annual Report 2015

Albany (W.A.) Community Financial Services Limited

ABN 77 119 012 510

Albany **Community Bank**® Branch

Contents

Chairman's report

For year ending 30 June 2015

Albany (WA) Community Financial Services Ltd recorded a profit of $9,736 for the financial year against a budget of a profit of $28,500.

Revenue was down on budget by $32,000, primarily due to lower than expected growth in the home mortgage market, despite an encouraging lift in deposits of $8 million.

That being said, our company overdraft reduced from $262,730 to $242,157 during the financial year.

Once again Directors feel it financially prudent in the first instance to focus on debt reduction, while as balancing our desire to support the community through the various annual sponsorship programmes.

Major sponsorship of $33,000 during the financial year included the Albany Community Foundation, Art and Craft Trail, Albany Men's Shed, Harbourside music event, Film festival and the Great Southern Netball Association to name a few.

All **Community Bank**® branches continue to operate under Bendigo and Adelaide Banks license, and as such all deposits held with a **Community Bank**® branch are covered by the same Federal Government guarantee as those with other banks and supported by capital supplied by their franchise partner, Bendigo and Adelaide Bank.

Bendigo and Adelaide Bank continue to have a long term "A" rating from all of the three leading credit agencies.

I sincerely thank those in the community who support our branch. It is because of you that we are able to support our community through local investment. While the road ahead is indeed challenging, the solution is simple; the more people who bank with us, the better our financial position will become, so I urge you all to take advantage of the wonderful local service and help us to help you.

I would also like to take the opportunity to thank my fellow Directors and our dedicated staff for their contribution to the branch under the leadership of our new Branch Manager, Ms Sabine Lawrence.

Two new Board members were recruited during the year, Mr Keith Mcluckie from Bendigo Bank and Mr Bob Golding, a local with previous Senior Management and Board experience.

Changes to the existing franchise agreement that should see some improvement in financial performance are in the pipeline though the path ahead remains challenging.

I will be retiring at the Annual General Meeting (AGM) and will not be standing again. Last year I stood before the AGM looking forward to improved financial performance. Unfortunately that has not happened. The time commitments to the Board are considerable and unfortunately my present work does not allow me to commit to those requirements fully.

I wish remaining Directors, staff and shareholders all the very best for the future.

Sean Bolt
Chairman

Manager’s report

For year ending 30 June 2015

The last financial year has produced positive results for the Albany **Community Bank**® Branch thanks to the continued support of our loyal customers.

Support from our customers continues to grow with our book value as at 30 June 2015 increasing by 12% from the previous financial year. Our combined deposit and loan book value is now $93 million.

We have seen an increase in the number of new customers opening accounts; we increased our account numbers by 63% from the previous financial year and now have 3,142 customers enjoying the Albany **Community Bank**® Branch service.

Because of the support of our increasing customer base we have continued to sponsor a number of community groups now returning over $250,000 back into the Albany community.

Business is developing well with the professional services of our local Agri Business Manager and Business Banking Manager together with our Financial Planner and Insurance Team. The Business Banking Manager is a new role for the Great Southern Region which will contribute significantly to our branch, we now have fully equipped team to offer a full range of products and services. The more community members choose to do their banking with us, the more money we have to return to the community.

Our success can be contributed to the team of dedicated and hardworking staff who deliver quality customer service on each and every occasion. Thank-you to Melanie Argent, Ellie Gregory, Ami Ladiges, Melissa Sims and Shantelle Copes for your dedication throughout the year.

To our dedicated Board members I wish to acknowledge your tireless efforts and commitment to ensure our business is continuing to grow. Without these volunteers our business would not be where it is today.

Lastly thank you to our shareholders for your initial support of our concept and helping us to open our doors over nine years ago. For that we are grateful.

The team is looking forward to the year ahead.

Sabine Lawrence
Branch Manager

Directors' report

For the financial year ended 30 June 2015

Your Directors submit their report of the company for the financial year ended 30 June 2015.

Directors

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

Sean Bolt
Chairperson / Secretary
Harbour Master
Appointed 05/02/14

Lucy Anderton
Treasurer
Economist
Appointed 05/02/14

Robert Golding
Vice Chair
Appointed 08/04/15

Lee Sounness
Director
Business Owner
Appointed 05/02/14

Vicki Brown
Director
Chief Executive Officer
Resignation 17/11/14

Nicholas Walls
Director
Property Valuer
Resignation 13/08/14

Tae Wood
Director
Accountant
Resignation 03/09/14

Jeremy Stewart
Director
Real Estate Agent
Resignation 03/09/14

Keith McLuckie
Director
Appointed 11/02/15

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

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

Principal activities

The principal activities of the company during the course of the financial year were in providing **Community Bank**® services under management rights to operate a franchised branch of Bendigo and Adelaide Bank Limited.

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

Operating results

Operations have continued to perform in line with expectations. The profit / (loss) after income tax expense for the company for the financial year was $6,503 (2014: $24,480).

Dividends

	Year ended 30 June 2015	
	Cents per share	**$**
Final dividends recommended:		
Dividends paid in the year:		
- Interim for the year	-	-
- As recommended in the prior year report	-	-

Significant changes in the state of affairs

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

Significant events after the balance date

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

Likely developments

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

Directors' benefits

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

Indemnification and insurance of Directors and Officers

The company has agreed to indemnify each Officer (Director, Secretary or employee) out of assets of the company to the relevant extent against any liability incurred by that person arising out of the discharge of their duties, except where the liability arises out of conduct involving dishonesty, negligence, breach of duty or the lack of good faith. The company also has Officers' insurance for the benefit of Officers of the company against any liability occurred by the Officer, which includes the Officers' liability for legal costs, in or arising out of the conduct of the business of the company or in or arising out of the discharge of the Officer's duties.

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

Directors' report (continued)

Directors' meetings

The number of Directors' meetings attended during the year were:

Director	Board meetings #	
Sean Bolt	8	(8)
Nicholas Walls	1	(1)
Lucy Anderton	8	(8)
Tae Wood	1	(2)
Robert Golding	3	(3)
Jeremy Stewart	1	(2)
Lee Sounness	6	(8)
Keith McLuckie	1	(4)
Vicki Brown	4	(4)

The first number is the meetings attended while in brackets is the number of meetings eligible to attend.

Corporate governance

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

(a) Director approval of operating budgets and monitoring of progress against these budgets;

(b) Ongoing Director training; and

(c) Monthly Director meetings to discuss performance and strategic plans.

Auditor independence declaration

The Directors received the following declaration from the Auditor of the company:

MACLEOD
CORPORATION PTY LTD.
A.B.N. 25 082 636 968
10 David Street
SPENCER PARK WA 6330
PO Box 4053
SPENCER PARK WA 6330
t. 08 9841 2277
f. 08 9841 3260
m. 0412 375667
e. paul@macleodcpa.com.au
www.macleodcpa.com.au

AUDITOR'S INDEPENDENCE DECLARATION
AS REQUIRED BY SECTION 307C OF THE CORPORATIONS ACT 2001

As lead Auditor for the audit of Albany (WA) Community Financial Services Ltd for the year ended 30 June 2015, I declare to the best of my knowledge and belief, that there have been:

a) no contraventions of the Auditor independence requirements of the Corporations Act 2001, in the relation to the audit, and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

This Declaration is made in respect of Albany (WA) Community Financial Services Ltd during the period of the audit.

....
Paul Gilbert, CPA MBA Director
Macleod Corporation Pty Ltd
Dated this 7th day of September 2015

Signed in accordance with a resolution of the Board of Directors at Albany on 24 September 2015.

Sean Bolt	**Lucy Andeton**
Chairman	**Treasurer**

Financial statements

Statement of Comprehensive Income for the year ended 30 June 2015

	Notes	2015 $	2014 $
Revenue from ordinary activities	2	618,275	599,336
Employee benefits expense	3	(372,942)	(341,870)
Charitable donations and sponsorship		(32,397)	(30,577)
Occupancy and associated costs		(65,256)	(62,626)
System costs		(22,958)	(21,241)
Depreciation and amortisation expense	3	(14,204)	(14,367)
Finance costs	3	(11,969)	(13,217)
General administration expenses		(89,259)	(80,467)
Profit/(loss) before income tax expense		**9,290**	**34,971**
Income tax expense	4	(2,787)	(10,491)
Profit/(loss) after income tax expense		**6,503**	**24,480**
Other comprehensive income			
Revaluation of property plant and equipment		-	
Income tax on other comprehensive income		-	-
Total comprehensive income		**6,503**	**24,480**

Earnings per share (cents per share)			
- basic for profit / (loss) for the year	23	0.74	2.77
- diluted for profit / (loss) for the year	23	0.74	2.77

The accompanying notes form part of these financial statements.

Statement of Financial Position
as at 30 June 2015

	Notes	2015 $	2014 $
Current assets			
Cash and cash equivalents	6	2,917	421
Trade and other receivables	7	56,258	57,444
Total current assets		**59,175**	**57,865**
Non-current assets			
Property, plant and equipment	9	1,712	766
Deferred tax assets	4	348,006	350,793
Intangible assets	10	13,864	27,729
Total non-current assets		**363,582**	**379,288**
Total assets		**422,757**	**437,153**
Current liabilities			
Trade and other payables	11	54,960	54,698
Borrowings	12	242,157	263,151
Provisions	13	12,929	11,869
Total current liabilities		**310,046**	**329,718**
Non-current liabilities			
Loans and borrowings	12	-	
Deferred tax liability	4	-	
Provisions	13	-	1,226
Total non-current liabilities		**-**	**1,226**
Total liabilities		**310,046**	**330,944**
Net assets		**112,711**	**106,209**
Equity			
Share capital	14	854,557	854,557
Retained earnings / (accumulated losses)	15	(741,846)	(748,348)
Total equity		**112,711**	**106,209**

The accompanying notes form part of these financial statements.

Statement of Cash Flows
for the year ended 30 June 2015

	Notes	2015 $	2014 $
Cash flows from operating activities			
Cash receipts in the course of operations		619,461	647,172
Cash payments in the course of operations		(582,716)	(613,799)
Interest paid		(11,969)	(13,217)
Interest received			
Income tax paid			
Net cash flows from/(used in) operating activities	**16b**	**24,776**	**20,156**
Cash flows from investing activities			
Payments for intangible assets			-7,221
Payments for property, plant and equipment		(1,286)	(453)
Net cash flows from/(used in) investing activities		**(1,286)**	**(7,674)**
Cash flows from financing activities			
Proceeds from borrowings			
Repayment of loan			
Payment for loan			
Repayment of borrowings			
Dividends paid			
Net cash flows from/(used in) financing activities		**-**	**-**
Net increase/(decrease) in cash held		**23,490**	**12,482**
Cash and cash equivalents at start of year		(262,730)	(275,212)
Cash and cash equivalents at end of year	**16a**	**(239,240)**	**(262,730)**

The accompanying notes form part of these financial statements.

Statement of Changes in Equity
for the year ended 30 June 2015

	Notes	2015 $	2014 $
Share capital			
Balance at start of year		854,557	854,557
Issue of share capital		-	-
Share issue costs		-	-
Balance at end of year		**854,557**	**854,557**
Retained earnings / (accumulated losses)			
Balance at start of year		(748,348)	(772,828)
Profit/(loss) after income tax expense		6,503	24,480
Dividends paid	22	-	-
Balance at end of year		**(741,845)**	**(748,348)**

The accompanying notes form part of these financial statements.

Notes to the financial statements

For year ended 30 June 2015

Note 1. Basis of preparation of the financial report

(a) Basis of preparation

Albany (WA) Community Financial Services Limited ('the company') is domiciled in Australia. The financial statements for the year ending 30 June 2015 are presented in Australian dollars. The company was incorporated in Australia and the principal operations involve providing **Community Bank**® services.

The financial statements have been prepared on an accruals basis and are based on historical costs and do not take into account changing money values or, except where stated, current valuations of non-current assets.

The financial statements require judgements, estimates and assumptions to be made that affect the application of accounting policies. Actual results may differ from these estimates.

(b) Statement of compliance

The financial report is a general purpose financial report, which has been prepared in accordance with Australian Accounting Standards (including Australian Interpretations) adopted by the Australian Accounting Standards Board and the Corporations Act 2001. The financial report of the company complies with International Financial Reporting Standards and interpretations adopted by the International Accounting Standards Board. Australian Accounting Standards that have been recently issued or amended, but are not yet effective, have not been adopted in the preparation of this financial report.

(c) Significant accounting policies

The following is a summary of the material accounting policies adopted. The accounting policies have been consistently applied and are consistent with those applied in the 30 June 2014 financial statements.

Income tax

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled.

Property, plant and equipment

Property, plant and equipment are brought to account at cost less accumulated depreciation and any impairment in value.

Land and buildings are measured at fair value less accumulated depreciation.

Note 1. Basis of preparation of the financial report (continued)

Property, plant and equipment (continued)

Depreciation is calculated on a straight line basis over the estimated useful life of the asset as follows:

Class of asset	Depreciation rate
Buildings	2.5%
Plant & equipment	10-20%

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

If any such indication exists and where the carrying value exceeds the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Revaluations

Following initial recognition at cost, land and buildings are carried at a revalued amount which is the fair value at the date of the revaluation less any subsequent accumulated depreciation on buildings and accumulated impairment losses.

Fair value is determined by reference to market based evidence, which is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date.

Recoverable amount of assets

At each reporting date, the company assesses whether there is any indication that an asset is impaired. Where an indicator of impairment exists, the company makes a formal estimate of the recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position. Cash flows are included in the Statement of Cash Flows on a gross basis.

The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

Note 1. Basis of preparation of the financial report (continued)

Employee benefits

The provision for employee benefits to wages, salaries and annual leave represents the amount which the company has a present obligation to pay resulting from employees' services provided up to the reporting date. The provision has been calculated on undiscounted amounts based on wage and salary rates expected to be paid and includes related on-costs.

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

Intangibles

Franchise fee paid to Bendigo and Adelaide Bank Limited has been recorded at cost and is amortised on a straight line basis over the life of the franchise agreement.

The renewal processing fee paid to Bendigo and Adelaide Bank Limited when renewing the franchise agreement has also been recorded at cost and is amortised on a straight line basis over the life of the franchise agreement.

Cash

Cash on hand and in banks are stated at nominal value.

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

Comparative figures

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

Revenue

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

Receivables and payables

Receivables and payables are non interest bearing and generally have payment terms of between 30 and 90 days. Receivables are recognised and carried at original invoice amount less a provision for any uncollected debts. Liabilities for trade creditors and other amounts are carried at cost that is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the company.

Loans and borrowings

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

Provisions

Provisions are recognised when the economic entity has a legal, equitable or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of past transactions or other past events, it is probable that a future sacrifice of economic benefits will be required and a reliable estimate can be made of the amount of the obligation.

A provision for dividends is not recognised as a liability unless the dividends are declared, determined or publicly recommended on or before the reporting date.

Notes to the financial statements (continued)

Note 1. Basis of preparation of the financial report (continued)

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.

	2015 $	2014 $
Note 2. Revenue from ordinary activities		
Operating activities		
- services commissions	618,275	599,336
- other revenue		
Total revenue from operating activities	**618,275**	**599,336**
Total revenue from ordinary activities	**618,275**	**599,336**
Note 3. Expenses		
Employee benefits expense		
- wages and salaries	307,623	316,665
- superannuation costs	26,494	12,379
- workers' compensation costs	1,416	474
- other costs	37,409	12,352
	372,942	**341,870**
Depreciation of non-current assets:		
- plant and equipment	340	503
- buildings		-
Amortisation of non-current assets:		
- franchise agreement	2,310	2,310
- franchise renewal fee	11,554	11,554
	14,204	**14,367**
Finance costs:		
- Interest paid	11,969	13,217
Bad debts	1,740	138

	2015 $	2014 $

Note 4. Income tax expense

The prima facie tax on profit/(loss) before income tax is reconciled to the income tax expense as follows:

	2015 $	2014 $
Prima facie tax on profit/(loss) before income tax at 30%	2,787	10,491
Add tax effect of:		
- Non-deductible expenses	-	(2,030)
- Prior year tax losses not previously brought to account	-	-
- Future income tax benefit not brought to account	-	-
Current income tax expense	**2,787**	**8,461**
Origination and reversal of temporary differences	-	-
Deferred income tax expense	**-**	**-**
Income tax expense	**2,787**	**8,461**
Tax liabilities		
Current tax payable	**-**	**-**
Deferred tax assets		
Future income tax benefits arising from tax losses are recognised at reporting date as realisation of the benefit is regarded as probable.	**348,006**	**350,793**
Deferred tax liabilities		
Future income tax liability arising from tax profits are recognised at reporting date as realisation of the liability is regarded as probable.	**-**	**-**

Note 5. Auditors' remuneration

Amounts received or due and receivable for

	2015 $	2014 $
- Audit or review of the financial report of the company	1,270	1,400
- Accounting	10,722	5,117
	11,992	**6,517**

Note 6. Cash and cash equivalents

	2015 $	2014 $
Cash at bank and on hand	**2,917**	**421**

Note 7. Receivables

	2015 $	2014 $
Trade debtors	55,400	52,130
Prepayments	858	5,314
	56,258	**57,444**

	2015 $	2014 $

Note 8. Loan receivables

	2015 $	2014 $
Current		
Loans to other parties	-	-
Non-current		
Loans to other parties	-	-

Note 9. Property, plant and equipment

	2015 $	2014 $
Buildings		
At cost	249,678	249,678
Less accumulated depreciation	(249,678)	(249,678)
	-	-
Plant and equipment		
At cost	8,496	7,210
Less accumulated depreciation	(6,784)	(6,444)
	1,712	**766**
Total written down amount	**1,712**	**766**
Movements in carrying amounts		
Plant and equipment		
Carrying amount at beginning of year	766	816
Additions	1,286	453
Disposals	-	-
Depreciation expense	(340)	(503)
Carrying amount at end of year	**1,712**	**766**

Note 10. Intangible assets

	2015 $	2014 $
Franchise fee		
At cost	21,554	21,554
Less accumulated amortisation	(19,243)	(16,933)
	2,311	**4,621**
Franchise renewal		
At cost	57,768	57,768
Less accumulated amortisation	(46,215)	(34,660)
	11,553	**23,108**
	13,864	**27,729**

	2015 $	2014 $

Note 11. Payables

Trade creditors	26,735	38,427
Other creditors and accruals	28,225	16,271
	54,960	**54,698**

Note 12. Loans and borrowings

Current:		
Bank overdraft	**242,157**	**263,151**

Note 13. Provisions

Current		
Employee benefits	**12,929**	**11,869**
Non current		
Employee benefits	**-**	**1,226**

Note 14. Share capital

884,016 Ordinary shares fully paid of $1 each	884,016	884,016
Less: equity raising expenses	(29,459)	(29,459)
	854,557	**854,557**

Note 15. Retained earnings / (accumulated losses)

Balance at the beginning of the financial year	(748,348)	(772,828)
Profit/(loss) after income tax	6,503	24,480
Dividends	-	-
Balance at the end of the financial year	**(741,845)**	**(748,348)**

Note 16. Statement of cash flows

(a) Cash and cash equivalents		
Cash assets	2,917	421
Bank overdraft	(242,157)	(263,151)
	(239,240)	**(262,730)**

Note 16. Statement of cash flows (continued)

	2015 $	2014 $
(b) Reconciliation of profit / (loss) after tax to net cash provided from/(used in) operating activities		
Profit / (loss) after income tax	6,503	24,480
Non cash items		
- Depreciation	340	503
- Amortisation	13,865	13,864
- Interest & Fees on Loans		
Changes in assets and liabilities		
- (Increase) decrease in receivables	1,186	(12,403)
- (Increase) decrease in other assets	1,501	10,491
- Increase (decrease) in payables	262	(11,396)
- Increase (decrease) in provisions	(166)	(5,383)
- (Increase) decrease in prepayments	1,285	
Net cash flows from/(used in) operating activities	**24,776**	**20,156**

Note 17. Director and related party disclosures

The names of Directors who have held office during the financial year are:

Sean Bolt
Nicholas Walls
Lucy Anderton
Tae Wood
Robert Golding
Jeremy Stewart
Lee Sounness
Keith McLuckie
Vicki Brown

No Director or related entity has entered into a material contract with the company. No Director's fees have been paid as the positions are held on a voluntary basis.

	2015	2014
Sean Bolt	-	-
Nicholas Walls (resigned)	-	-
Lucy Anderton	-	-
Tae Wood (resigned)	-	-
Robert Golding	-	-
Jeremy Stewart (resigned)	-	-
Lee Sounness	-	-
Keith McLuckie	-	-
Vicki Brown (resigned)	1,000	1,000

Notes to the financial statements (continued)

Note 18. Subsequent event and commitment

There have been no events after the end of the financial year that would materially affect the financial statements.

Note 19. Contingent liabilities

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

Note 20. Segment reporting

The economic entity operates in the financial services sector were it provides banking services to its clients. The economic entity operates in one geographic area being Great Southern, WA.

Note 21. Corporate information

Albany (W.A.) Community Financial Services Ltd is a company limited by shares incorporated in Australia.

The registered office is: Shop 3/78-82 Lockyer Avenue
Albany WA 6330

The principal place of business is: Shop 3/78-82 Lockyer Avenue
Albany WA 6330

Note 22. Dividends paid or provided for on ordinary shares

	2015 $	2014 $
(a) Dividends proposed and recognised as a liability		
Franked dividends	-	-
(b) Dividends paid during the year		
(i) Current year interim		
Unfranked dividends	-	-
(ii) Previous year final		
Franked dividends	-	-
(c) Dividends proposed and not recognised as a liability		
Franked dividends	-	-
(d) Franking credit balance		
The amount of franking credits available for the subsequent financial year are:		
- Franking account balance as at the end of the financial year	-	-
- Franking credits that will arise from the payment of income tax payable as at the end of the financial year	-	-

	2015 $	2014 $

Note 22. Dividends paid or provided for on ordinary shares (continued)

(d) Franking credit balance

- Franking debits that will arise from the payment of dividends as at the end of the financial year	-	-
- Franking credits that will arise from the payment of dividends recognised as receivables at the reporting date	-	-
- Franking credits that the entity may be prevented from distributing in the subsequent year	-	-
	-	**-**

The tax rate at which dividends have been franked is 30% (2014: 30%).

Dividends proposed will be franked at a rate of 30% (2014: 30%).

Note 23. Earnings per share

Basic earnings per share amounts are calculated by dividing profit / (loss) after income tax by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing profit / (loss) after income tax by the weighted average number of ordinary shares outstanding during the year (adjusted for the effects of any dilutive options or preference shares).

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	2015 $	2014 $
Profit/(loss) after income tax expense	**6,503**	**24,480**
Weighted average number of ordinary shares for basic and diluted earnings per share	**884,016**	**884,016**

Note 24. Financial risk management

The company has exposure to credit risk, liquidity risk and market risk from their use of financial instruments.

This note presents information about the company's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

(a) Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. For the company it arises from receivables and cash assets.

The maximum exposure to credit risk at reporting date to recognised financial assets is the carrying amount of those assets as disclosed in the Statement of Financial Position and notes to the financial statements. The company's maximum exposure to credit risk at reporting date was:

Note 24. Financial risk management (continued)

(a) Credit risk (continued)

	Carrying amount 2015 $	2014 $
Cash assets	2,917	421
Receivables	56,258	57,444
	59,175	**57,865**

The company's exposure to credit risk is limited to Australia by geographic area. The entire balance of receivables is due from Bendigo and Adelaide Bank Limited.

None of the assets of the company are past due (2014: nil past due) and based on historic default rates, the company believes that no impairment allowance is necessary in respect of assets not past due.

The company limits its exposure to credit risk by only investing in liquid securities with Bendigo and Adelaide Bank Limited.

(b) Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company ensures it will have enough liquidity to meet its liabilities when due under both normal and stressed conditions. Liquidity management is carried out within the guidelines set by the Board.

Typically, the company maintains sufficient cash on hand to meet expected operational expenses, including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The following are the estimated contractual maturities of financial liabilities, including estimated interest payments.

	Carrying amount $	Contractual cash flows $	1 year or less $	over 1 to 5 years $	more than 5 years $
30 June 2015					
Payables	54,960	54,960	54,960	-	-
Loans and borrowings	242,157	242,157	242,157	-	-
	297,117	**297,117**	**297,117**	**-**	**-**
30 June 2014					
Payables	54,698	54,698	54,698	-	-
Loans and borrowings	263,151	263,151	263,151	-	-
	317,849	**317,849**	**317,849**	**-**	**-**

(c) Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

Note 24. Financial risk management (continued)

(c) Market risk (continued)

Interest rate risk

Interest rate risk is that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company reviews the exposure to interest rate risk as part of the regular Board meetings.

Sensitivity analysis

At the reporting date the interest rate profile of the company's interest bearing financial instruments was:

	Carrying amount	
	2015	**2014**
	$	**$**
Fixed rate instruments		
Financial assets	-	-
Financial liabilities	-	-
	-	**-**
Variable rate instruments		
Financial assets	-	-
Financial liabilities	-	-
	-	**-**

Fair value sensitivity analysis for fixed rate instruments

The company does not account for any fixed interest rate financial assets or liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have minor impact on profit or retained earnings. For the analysis performed on the same basis as at 30 June 2013 there was also minor impact. As at both dates this assumes all other variables remain constant.

(d) Net fair values

The net fair values of financial assets and liabilities approximate the carrying values as disclosed in the Statement of Financial Position. The company does not have any unrecognised financial instruments at year end.

(e) Capital management

The Board's policy is to maintain a strong capital base so as to sustain future development of the company. The Board of Directors monitor the return on capital and the level of dividends to shareholders. Capital is represented by total equity as recorded in the Statement of Financial Position.

Note 24. Financial risk management (continued)

(e) Capital management (continued)

In accordance with the franchise agreement, in any 12 month period, the funds distributed to shareholders shall not exceed the Distribution Limit.

(i) the Distribution Limit is the greater of:

  (a) 20% of the profit or funds of the Franchisee otherwise available for distribution to shareholders in that 12 month period; and

  (b) subject to the availability of distributable profits, the Relevant Rate of Return multiplied by the average level of share capital of the Franchisee over that 12 month period; and

(ii) the Relevant Rate of Return is equal to the weighted average interest rate on 90 day bank bills over that 12 month period plus 5%.

The Board is managing the growth of the business in line with this requirement. There are no other externally imposed capital requirements, although the nature of the company is such that amounts will be paid in the form of charitable donations and sponsorship. Charitable donations and sponsorship paid for the year ended 30 June 2012 can be seen in the Statement of Comprehensive Income.

There were no changes in the company's approach to capital management during the year.

Directors' declaration

In accordance with a resolution of the Directors of Albany (WA) Community Financial Services Limited, I state that:

In the opinion of the Directors:

(a) the financial statements and notes of the company are 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 their performance for the year ended on that date; and

(ii) complying with Accounting Standards in Australia and Corporations Regulations 2001;

(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

(c) this declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ending 30 June 2015.

Sean Bolt
Chairman

Lucy Anderton
Treasurer

Signed at Albany on 25 September 2015.

Independent audit report

MACLEOD
CORPORATION PTY LTD.
A.B.N. 25 082 636 968
10 David Street
SPENCER PARK WA 6330
PO Box 4053
SPENCER PARK WA 6330
t. 08 9841 2277
f. 08 9841 3260
m. 0412 375667
e. paul@macleodcpa.com.au
www.macleodcpa.com.au

INDEPENDENT AUDITOR'S REPORT
To: The Members of Albany (WA) Community Financial Services Ltd

Report on the Financial Report

We have audited the accompanying financial report of Albany (WA) Community Financial Services Ltd, which comprises the statement of financial position as at 30 June 2015, the statement of comprehensive income, statement of changes in Equity, statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view 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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Albany (WA) Community Financial Services Ltd, would be in the same terms if given to the directors as at the time of this auditor's report.

Re-Issued Audit Report

This Independent Auditor's Report replaces our previous Independent Auditors Report dated 21st September 2015. The Independent Auditor's Report has been re-issued because the original Annual Report included references to Plantagenet Community Financial Services Ltd in error at Notes 21 and the Auditor's Independence Declaration. The errors were typographical in nature and do not impact on the reported operating result and statement of financial position.

CERTIFIED PRACTICING ACCOUNTANTS

Opinion
In our opinion the financial report of Albany (WA) Community 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 2015 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and

Other Reporting Obligations
(a) We have been given all information, explanation and assistance necessary for the conduct of the audit; and
(b) In our opinion Albany (WA) Community Financial Services Ltd has kept financial records sufficient to enable a financial report to be prepared and audited; and
(c) In our opinion Albany (WA) Community Financial Services Ltd has kept other records and registers as required by the Corporations Act, 2001.

Emphasis of Matter
Without qualification to the above, we draw users of the financial report to the following matters:

1. The company has a deficit current position. Current Liabilities exceed current assets by $250,871.
2. The company has a deficit of net tangible assets. Liabilities exceed tangible assets by $249,159

The ability of the company to continue as a going concern is therefore dependent on the continued financial support of financiers and suppliers.

Paul Gilbert
Macleod Corporation Pty Ltd
Dated this 18th day of January 2016

Albany **Community Bank**® Branch
Shop 4, 78/82 Lockyer Avenue,
Centennial Park WA 6330
Phone: (08) 9842 1911

Franchisee:
Albany (W.A.) Community Financial Services Limited
Shop 4, 78/82 Lockyer Avenue,
Centennial Park WA 6330
Phone: (08) 9842 1911
ABN: 77 119 012 510

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