Goolwa & District **Community Bank®** Branch

2012

annual report

AlexInvest Community Services Limited

ABN 81 143 552 363

Contents

Chairman's and Manager's report

For year ending 30 June 2012

The first full financial year for the Goolwa & District **Community Bank®** Branch has been a busy one for both the Directors and staff.

A five year Strategic Plan along with a Business and Marketing Plan have been developed, reviews of the Governance structure and Board performance were completed, and adjustments were made to ensure effective reporting and decision making.

We celebrated our first birthday with the announcement of a $15,000 sponsorship to the Goolwa Netball Club and on that occasion our Ambassadors were officially recognised. They are a fine band of supporters, some of whom were either members of the Steering Committee, or are retired Directors. We thank them sincerely for their support.

At the beginning of the financial year the Board took the decision to invest all of the Marketing Development Fund that we receive from Bendigo and Adelaide Bank ($5,000 per annum for every $5 million that we have in footings) into sponsorships in our first year of operation. This decision has been effective from both a community and business perspective as we have already been able to invest over $50,000 into community groups and their ventures.

Branch staff and Directors have also been active in the community and were certainly visible at Goolwa Alive, and the Christmas Pageant.

We are pleased to report that your **Community Bank®** branch has performed in line with expectations and prospectus forecast, finishing the financial year with over $27 million in footings.

One area where we are below expectation is customer numbers. While over 900 members of our community have already made the conscious decision to support their **Community Bank®** branch by providing some or all of their banking business, the more customers we have, the more we can put back into the community. We urge all shareholders to give us a go, even if it is just one account to see how we perform, and to recommend us to family and friends to help us continue to build this community minded business.

Staff are the backbone of every business and during the year both Cindy Pearce and Tracy Vincent have moved interstate for family reasons and we thank them for their contribution to the team. We welcomed Katrina Coventry and Briony Quinlish who both have a vast banking and customer orientated background, and together with Dee-Anne Farrow and Janine Stevens they make up a terrific team that provides a very friendly and positive customer experience.

Your **Community Bank®** branch is a full service banking option with the full backing of the Bendigo and Adelaide Bank. We offer all traditional banking services and level of security, including financial planning, self-managed superfunds, all insurances, foreign currency and specialist banking services to community and not-for-profit groups.

The quicker your branch grows the sooner we get to profit, and that is when the real business starts, with greater opportunities for community investment, and a return to our shareholders.

We would like to thank our volunteer Directors who really are tireless workers for your community, our staff for their effort and enthusiasm over the past year and of course our customers.

Carol Gaston AM
Chairman

Grant Madden
Branch Manager

Directors' report

For the financial year ended 30 June 2012

Your Directors submit their report of the company for the financial period ended 30 June 2012.

Directors

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

Carol Gaston AM
Chairperson
Health Consultant
Board member since 25 May 2010

Alistair Angus
Director
Retired Architect
Board member since 25 May 2010

David Benda (resigned 27 February 2012)
Director
Manager
Board member since 25 May 2010

Kay Semovic (resigned 15 August 2011)
Director
Naturopath
Board member since 25 May 2010

Martin Kay
Director
Marketing Consultant
Board member since 25 May 2010

Geoffrey Eastwood (resigned 27 February 2012)
Director
Airport Owner/Operator
Board member since 25 May 2010

Robert Baxter
Director
Senior Manager
Board member since 25 May 2010

Rosemary Sage
Director
Retired, Book Keeper
Board member since 25 May 2010

Terry Crabb (appointed 15 August 2011)
Director
Retired Company Director
Board member since 15 August 2011

Bob Vanderkamp (appointed 15 August 2011)
Director
Marine Technician
Board member since 15 August 2011

Andrew Kies (appointed 15 August 2011)
Director
Self Employed
Board member since 15 August 2011

Bart O'Brien (appointed 27 February 2012)
Director
HealthServices Manager
Board member since 27 February 2012

Tracy Parkes (appointed 27 February 2012)
Director
Finance Executive
Board member since 27 February 2012

Bianca Veenstra (appointed 27 February 2012)
Director
Administration Assistant
Board member since 27 February 2012

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 period were in providing **Community Bank®** services under management rights to operate a franchised branch of Bendigo and Adelaide Bank.

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

Operating results

The loss of the company for the financial year after provision for income tax was $196,330 (2011 loss: $64,248).

Financial position

The net assets of the company have decreased by $207,242 from June 30, 2011 to $514,048 in 2012.

Dividends

No dividends were declared or paid during the year.

Events after the reporting period

Since balance date, the world financial markets have shown volatility that may have an impact on investment earnings in the 2012/13 financial year. The company continues to maintain a conservative investment strategy to manage the exposure to market volatility.

There are no other 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.

Future developments

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

Environmental issues

The company is not subject to any significant environmental regulation.

Proceedings on behalf of company

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The company was not a party to any such proceedings during the year.

Remuneration report

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.

Indemnifying Officers or Auditor

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 Officer's 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.

Directors' meetings

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

Director	Board meetings#
Carol Gaston AM	8 (12)
Alistair Angus	12 (12)
Rosemary Sage	11 (12)
Robert Baxter	8 (12)
Martin Kay	6 (12)
Andrew Kies (appointed 15 August 2011)	7 (7)
Bob Vanderkamp (appointed 15 August 2011)	8 (11)
Terry Crabb (appointed 15 August 2011)	9 (11)
Tracy Parkes (appointed 27 February 2012)	4 (5)
Bianca Veenstra (appointed 27 February 2012)	5 (5)
Bart O'Brien (appointed 27 February 2012)	5 (5)
Kay Semovic (resigned 15 August 2011)	0 (2)
Geoffrey Eastwood (resigned 27 February 2012)	4 (7)
David Benda (resigned 27 February 2012)	4 (7)

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

N/A - not a member of that Committee.

Company Secretary

Alistair Angus has been the company Secretary of AlexInvest Community Services Limited since 2010. His qualifications and experience include senior management roles in several private companies.

Directors' report (continued)

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.

Non audit services

The Directors in accordance with advice from the audit committee, are satisfied that the provision of non audit services during the year is compatible with the general standard of independence for Auditors imposed by the Corporations Act 2001. The Directors are satisfied that the services disclosed in Note 5 did not compromise the external Auditor's independence for the following reasons:

- all non audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect integrity and objectivity of the Auditor; and
- the nature of the services provided does not compromise the general principles relating to Auditor independence in accordance with APES 110 "Code of Ethics for Professional Accountants" set by the Accounting Professional and Ethical Standards Board.

Auditor's independence declaration

The Auditor's independence declaration for the year ended 30 June 2012 has been received and can be found on page 7 of this financial report.

Signed in accordance with a resolution of the Board of Directors at AlexInvest Community Services Limited on 25 September 2012.

CGaston AM

Carol Gaston AM
Chairperson

Auditor's independence declaration

Richmond Sinnott & Delahunty
Chartered Accountants

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The Directors
AlexInvest Community Services Limited
PO Box 2405
Goolwa SA 5214

To the Directors of AlexInvest Community Services Limited

Auditor's Independence Declaration under section 307C of the Corporations Act 2001

I declare that to the best of my knowledge and belief, during the period ended 30 June 2012 there has 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.

Richmond Sinnott & Delahunty

RICHMOND SINNOTT & DELAHUNTY
Chartered Accountants

W Sinnott

Warren Sinnott
Partner
Dated at Bendigo, 25 September 2012

Financial statements

Statement of comprehensive income for the year ended 30 June 2012

	Note	2012 $	2011 $
Revenue	2	174,276	18,888
Employee benefits expense	3	(285,122)	(76,312)
Finance costs	3	-	(43)
Depreciation and amortisation expense	3	(49,362)	-
Other expenses		(108,122)	(32,563)
Operating loss before charitable donations & sponsorships		**(268,330)**	**(90,030)**
Charitable donations and sponsorship		(8,966)	(150)
Loss before income tax expense		**(277,296)**	**(90,180)**
Income tax benefit	4	80,966	25,932
Net loss for the year		**(196,330)**	**(64,248)**
Other comprehensive income		-	-
Total comprehensive income for the year		**(196,330)**	**(64,248)**
Earnings per share (cents per share)			
- basic for loss for the period	22	(24.84)	(8.13)
- diluted for loss for the period	22	(24.84)	(8.13)

The accompanying notes form part of these financial statements.

Statement of financial position
as at 30 June 2012

	Note	2012 $	2011 $
Assets			
Current assets			
Cash and cash equivalents	6	197,640	354,669
Receivables	7	17,435	57,482
Total current assets		**215,075**	**412,151**
Non-current assets			
Property, plant and equipment	8	188,934	196,054
Deferred tax assets	4	106,898	25,932
Intangible assets	9	80,666	110,000
Total non-current assets		**376,498**	**331,986**
Total assets		**591,573**	**744,137**
Liabilities			
Current liabilities			
Payables	10	62,215	18,118
Provisions	12	15,310	4,729
Total current liabilities		**77,525**	**22,847**
Total liabilities		**77,525**	**22,847**
Net assets		**514,048**	**721,290**
Equity			
Issued capital	13	774,626	785,538
Accumulated losses	14	(260,578)	(64,248)
Total equity		**514,048**	**721,290**

The accompanying notes form part of these financial statements.

Statement of cash flows
for the year ended 30 June 2012

	Note	2012 $	2011 $
Cash flows from operating activities			
Cash receipts in the course of operations		267,523	9,186
Cash payments in the course of operations		(412,956)	(137,899)
Interest paid		-	(43)
Interest received		12,224	3,941
Net cash flows from operating activities	**15b**	**(133,209)**	**(124,815)**
Cash flows from investing activities			
Payment for intangible assets		-	(110,000)
Payments for property, plant and equipment		(12,908)	(196,054)
Net cash flows used in investing activities		**(12,908)**	**(306,054)**
Cash flows from financing activities			
Proceeds from issue of shares		-	790,477
Equity raising costs paid		(10,912)	(4,939)
Net cash flows from financing activities		**(10,912)**	**785,538**
Net increase in cash held		**(157,029)**	**354,669**
Cash and cash equivalents at start of period		354,669	-
Cash and cash equivalents at end of period	**15a**	**197,640**	**354,669**

The accompanying notes form part of these financial statements.

Statement of changes in equity
for the year ended 30 June 2012

	Note	2012 $	2011 $
Issued capital			
Balance at start of period		785,538	-
Issue of share capital		-	790,477
Share issue costs		(10,912)	(4,939)
Balance at end of period		**774,626**	**785,538**
Accumulated losses			
Balance at start of period		(64,248)	-
Net loss for the year		(196,330)	(64,248)
Dividends paid	21	-	-
Balance at end of period		**(260,578)**	**(64,248)**

The accompanying notes form part of these financial statements.

Notes to the financial statements

For year ended 30 June 2012

Note 1. Summary of significant accounting policies

(a) Basis of preparation

AlexInvest Community Services Limited ('the company') is domiciled in Australia. The financial statements for the period ending 30 June 2011 are presented in Australian dollars. The company was incorporated in Australia and the principal operations involve providing **Community Bank®** services.

The financial statements are general purpose financial statements, that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authorative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The company is a for profit entity for financial reporting purposes under Australian Accounting Standards.

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

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, were applicable, by the measurement of fair value of selected non current assets, financial assets and financial liabilities.

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.

The financial statements were authorised for issue by the Directors on 25 September 2012.

(b) 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.

(c) 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. Summary of significant accounting policies (continued)

(c) 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
Leasehold improvements	2.5% - 20%
Furniture & fixtures	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.

(d) Impairment 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.

(e) 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. Summary of significant accounting policies (continued)

(f) 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.

(g) Intangibles

Establishment costs have been initially recorded at cost and amortised on a straight line basis at a rate of 20% per annum.

(h) Cash

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

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

(i) Revenue

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

(j) 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.

(k) New accounting standards for application in future periods

Australian Accounting Standards that have been recently issued or amended but not yet effective have not been adopted in the preparation of these financial statements. These changes have been assessed by Directors and determined they will not have a material impact on the company's financial statements.

(l) Loans and borrowings

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

(m) 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.

Note 1. Summary of significant accounting policies (continued)

(n) 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.

(o) Comparative figures

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

(p) Critical accounting estimates and judgements

The Directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company. Estimates and judgements are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The estimates and judgements that have a significant risk of causing material adjustments to the carrying values of assets and liabilities are as follows:

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation changes for its property, plant and equipment and intangible assets. The depreciation and amortisation charge will increase where useful lives are less than previously estimated lives.

Income tax

The company is subject to income tax. Significant judgement is required in determining the provision for income tax.

Impairment

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

(q) 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 (ie trade date accounting is adopted). Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to the profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method or cost. Where available quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Note 1. Summary of significant accounting policies (continued)

(q) Financial instruments (continued)

Classification and subsequent measurement (continued)

Amortised costs is calculated as the amount which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

(i) Loans and receivables

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

(ii) Financial liabilities

Non derivative financial liabilities are subsequently measured at amortised cost.

Impairment

At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset is deemed impaired if and only if, there is objective evidence of impairment as a result of one or more events (a loss event) having occurred, which has an impact on the estimated future cash flows of the financial asset. In the case of financial assets carried at amortised cost, loss events may include indications that the debtors are experiencing significant financial difficulty or changes in economic conditions.

	2012 $	**2011 $**

Note 2. Revenue from ordinary activities

	2012 $	**2011 $**
Operating activities		
- services commissions	162,052	11,013
- other revenue	-	3,934
Total revenue from operating activities	**162,052**	**14,947**
Non-operating activities:		
- interest received	12,224	3,941
- other revenue	-	-
Total revenue from non-operating activities	**12,224**	**3,941**
Total revenue from ordinary activities	**174,276**	**18,888**

	2012 $	2011 $

Note 3. Expenses

	2012 $	2011 $
Employee benefits expense		
- wages and salaries	222,337	54,335
- superannuation costs	21,645	3,816
- workers' compensation costs	1,543	14
- other costs	39,597	18,147
	285,122	**76,312**
Depreciation of non-current assets:		
- leasehold improvements	14,346	-
- furniture & fixtures	5,682	-
	20,028	**-**
Amortisation of non-current assets:		
- intangibles	29,334	-
	49,362	**-**
Finance costs:		
- Interest paid	-	43
Bad debts	-	193

Note 4. Income tax expense

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

	2012 $	2011 $
Prima facie tax on loss before income tax at 30%	(83,189)	(27,054)
Add tax effect of:		
- Non-deductible expenses	2,223	1,122
Current income tax benefit	**(80,966)**	**(25,932)**
Income tax benefit	**(80,966)**	**(25,932)**
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.	**106,898**	**25,932**

Notes to the financial statements (continued)

	2012 $	2011 $

Note 5. Auditors' remuneration

Amounts received or due and receivable by Richmond, Sinnott & Delahunty for:

	2012 $	2011 $
- Audit or review of the financial report of the company	3,900	2,900
- Completion of feasibility study	-	5,000
- Share registry services	1,986	1,454
- Accounting work for prospectus	-	2,000
	5,886	**11,354**

Note 6. Cash and cash equivalents

	2012 $	2011 $
Cash at bank and on hand	**197,640**	**354,669**

Note 7. Receivables

	2012 $	2011 $
GST receivable	-	34,481
Trade debtors	17,435	6,148
Other debtors	-	16,853
	17,435	**57,482**

Note 8. Property, plant and equipment

	2012 $	2011 $
Leasehold improvements		
At cost	180,553	167,645
Less accumulated depreciation	(14,346)	-
	166,207	**167,645**
Plant and equipment		
At cost	28,409	28,409
Less accumulated depreciation	(5,682)	-
	22,727	**28,409**
Total written down amount	**188,934**	**196,054**
Movements in carrying amounts		
Leasehold improvements		
Carrying amount at beginning of period	167,645	-
Additions	12,908	167,645
Disposals	-	-
Depreciation expense	(14,346)	-
Carrying amount at end of period	**166,207**	**167,645**

	2012 $	2011 $

Note 8. Property, plant and equipment (continued)

Plant and equipment		
Carrying amount at beginning of period	28,409	-
Additions	-	28,409
Disposals	-	-
Depreciation expense	(5,682)	-
Carrying amount at end of period	**22,727**	**28,409**

Note 9. Intangible assets

Franchise fee		
At cost	10,000	10,000
Less accumulated amortisation	(2,667)	-
	7,333	**10,000**
Preliminary expenses		
At cost	100,000	100,000
Less accumulated amortisation	(26,667)	-
	73,333	**100,000**
	80,666	**110,000**

Note 10. Payables

Trade creditors	9,798	9,371
Other creditors and accruals	52,417	8,747
	62,215	**18,118**

Note 11. Provisions

Employee benefits	**15,310**	**4,729**
Movement in employee benefits		
Opening balance	4,729	-
Additional provisions recognised	17,103	4,729
Amounts utilised during the period	(6,522)	-
Closing balance	**15,310**	**4,729**

	2012 $	2011 $

Note 12. Share capital

	2012 $	2011 $
790,477 Ordinary shares fully paid of $1 each	790,477	790,477
Less equity raising costs	(15,851)	(4,939)
	774,626	**785,538**

Note 13. Accumulated losses

	2012 $	2011 $
Balance at the beginning of the financial period	(64,248)	-
Loss after income tax	(196,330)	(64,248)
Dividends	-	-
Balance at the end of the financial period	**(260,578)**	**(64,248)**

Note 14. Statement of cash flows

	2012 $	2011 $
(a) Cash and cash equivalents		
Cash assets	**197,640**	**354,669**
(b) Reconciliation of loss after tax to net cash provided used in operating activities		
Loss after income tax	(196,330)	(64,248)
Non cash items		
- Depreciation	20,028	-
- Amortisation	29,334	-
Changes in assets and liabilities		
- (Increase) decrease in receivables	40,047	(57,482)
- Increase (decrease) in payables	44,097	18,118
- Increase (decrease) in provisions	10,581	4,729
- (Increase) decrease in deferred tax asset	(80,966)	(25,932)
Net cash flows used in operating activities	**(133,209)**	**(124,815)**

Note 15. Director and related party disclosures

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

Carol Gaston AM
Alistair Angus
Rosemary Sage
Robert Baxter
Martin Kay
Andrew Kies (appointed 15 August 2011)
Bob Vanderkamp (appointed 15 August 2011)
Terry Crabb (appointed 15 August 2011)
Tracy Parkes (appointed 27 February 2012)
Bianca Veenstra (appointed 27 February 2012)
Bart O'Brien (appointed 27 February 2012)
Kay Semovic (resigned 15 August 2011)
Geoffrey Eastwood (resigned 27 February 2012)
David Benda (resigned 27 February 2012)

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.

Directors' shareholdings	**2012**	**2011**
Carol Gaston AM	20,000	20,000
Alistair Angus	6,001	6,001
Rosemary Sage	20,600	20,600
Robert Baxter	500	500
Martin Kay	2,000	2,000
Andrew Kies (appointed 15 August 2011)	1,500	1,500
Bob Vanderkamp (appointed 15 August 2011)	90,000	90,000
Terry Crabb (appointed 15 August 2011)	10,000	10,000
Tracy Parkes (appointed 27 February 2012)	2,000	2,000
Bianca Veenstra (appointed 27 February 2012)	-	-
Bart O'Brien (appointed 27 February 2012)	2,000	2,000
Kay Semovic (resigned 15 August 2011)	1,500	1,500
Geoffrey Eastwood (resigned 27 February 2012)	10,000	10,000
David Benda (resigned 27 February 2012)	3,350	3,350

All shares were purchased during the period. Each share held has a paid up value of $1 and is fully paid.

Note 16. Subsequent events

Since the balance date, world financial markets have shown volatility that may have an impact on investment earnings in the 2012/13 financial year. The company continues to maintain a conservative investment strategy to manage the exposure to market volatility.

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

Note 17. Contingent liabilities and assets

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

Note 18. Segment reporting

The economic entity operates in the financial services sector where it provides banking services to its clients. The economic entity operates in one geographic area being Goolwa and District, South Australia.

Note 19. Corporate information

AlexInvest Community Services Limited is a company limited by shares incorporated in Australia.

The registered office is:	Lot 16, Captain Sturt Road, Hindmarsh Island SA 5214
The principal place of business is:	Shop 3, Goolwa Shopping Centre, Goolwa SA 5214

Note 20. Dividends paid or provided for on ordinary shares

No dividends were paid or proposed by the company during the period.

Note 21. Earnings per share

Basic earnings per share amounts are calculated by dividing loss after income tax by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share amounts are calculated by dividing loss after income tax by the weighted average number of ordinary shares outstanding during the period (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:

	2012 $	2011 $
Loss after income tax expense	**(196,330)**	**(64,248)**
Weighted average number of ordinary shares for basic and diluted earnings per share	**790,477**	**790,477**

Note 22. Financial risk management

The company's financial instruments consist mainly of deposits with banks, account receivables and payables, bank overdraft and loans.

The totals for each category of financial instruments measured in accordance with AASB 139 are as follows:

	Note	2012 $	2011 $
Financial assets			
Cash & cash equivalents	6	197,640	354,669
Receivables	7	17,435	57,482
Total financial assets		**215,075**	**412,151**
Financial liabilities			
Payables	10	62,215	18,118
Total financial liabilities		**62,215**	**18,118**

Financial risk management policies

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board has established an Audit Committee which reports regularly to the Board. The Audit Committee is assisted in the area of risk management by an internal audit function.

Specific financial risk exposure and management

The company has exposure to credit risk, liquidity risk and market risk from their use of financial instruments. There have been no substantive changes in the types of risks the company is exposed to, how the risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

(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:

	Carrying amount 2012 $	 2011 $
Cash and cash equivalents	197,640	354,669
Receivables	17,435	57,482
	215,075	**412,151**

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

None of the assets of the company are past due (2011: 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.

Note 22. Financial risk management (continued)

(a) Credit risk (continued)

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

(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.

Financial liability and financial asset maturity analysis

	Total $	Within 1 year $	1 to 5 years $	Over 5 years $
30 June 2012				
Financial liabilities due for payment				
Payables	(62,215)	(62,215)	–	–
Total expected outflows	**(62,215)**	**(62,215)**	**–**	**–**
Financial assets - cashflow realisable				
Cash & cash equivalents	197,640	197,640	–	–
Receivables	17,435	17,435	–	–
Total anticipated inflows	**215,075**	**215,075**	**–**	**–**
Net (outflow)/inflow on financial instruments	**152,860**	**152,860**	**–**	**–**

	Total $	Within 1 year $	1 to 5 years $	Over 5 years $
30 June 2011				
Financial liabilities due for payment				
Payables	(18,118)	(18,118)	–	–
Total expected outflows	**(18,118)**	**(18,118)**	**–**	**–**
Financial assets - cashflow realisable				
Cash & cash equivalents	354,669	354,669	–	–
Receivables	57,482	57,482	–	–
Total anticipated inflows	**412,151**	**412,151**	**–**	**–**
Net (outflow)/inflow on financial instruments	**394,033**	**394,033**	**–**	**–**

Note 22. Financial risk management (continued)

(b) Liquidity risk (continued)

Financial assets pledged as collateral

There are no material amounts of collateral held as security as at 30 June 2012 and 30 June 2011.

(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.

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	
	2012	**2011**
	$	**$**
Fixed rate instruments		
Financial assets	195,890	352,970
Financial liabilities	-	-
	195,890	**352,970**
Floating rate instruments		
Financial assets	1,772	1,699
Financial liabilities	-	-
	1,772	**1,699**

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 no impact on profit or retained earnings. For the analysis performed on the same basis as at 30 June 2011 there was also no impact. As at both dates this assumes all other variables remain constant.

The company has no exposure to fluctuations in foreign currency.

(d) Price risk

The company is not exposed to any material price risk.

Note 22. Financial risk management (continued)

(d) Price risk (continued)

Fair values

The fair values of financial assets and liabilities approximate the carrying values as disclosed in the Statement of Financial Position. Fair value is the amount at which an asset could be exchanged, or liability settled, between knowledgeable, willing parties in an arm's length transaction. The company does not have any unrecognised financial instruments at year end.

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.

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 AlexInvest Community Services Limited, the Directors of the company declare that:

1 the financial statements and notes of the company as set out on pages 8 to 26 are in accordance with the Corporations Act 2001 and:

(i) giving a true and fair view of the company's financial position as at 30 June 2012 and of their performance for the period ended on that date; and

(ii) complying with Accounting Standards in Australia, International Financial Reporting Standards and Corporations Regulations 2001; and

2 in the Directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Carol Gaston AM
Director

Signed at Goolwa on 25 September 2012.

Independent audit report

Richmond
Sinnott &
Delahunty

Chartered Accountants

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PO Box 30, Bendigo, VIC 3552

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INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF ALEXINVEST COMMUNITY SERVICES LIMITED

Report on the Financial Report

We have audited the accompanying financial report of AlexInvest Community Services Limited, which comprises the statement of financial position as at 30 June 2012, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the company for the period ended 30 June 2012.

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 is free from material misstatement, whether due to fraud or error. In Note 1(a), the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards (IFRS).

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's 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 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.

Richmond Sinnott & Delahunty
ABN 60 616 244 309
Liability limited by a scheme approved under Professional Standards Legislation

Partners:
Warren Sinnott
Cara Hall
Brett Andrews
Philip Delahunty
Kathie Teasdale
David Richmond

Independence

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

Auditor's Opinion

In our opinion:

(a) the financial report of AlexInvest Community 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 2012 and of its performance for the period ended on that date; and

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

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

Richmond Sinnott & Delahunty

RICHMOND SINNOTT & DELAHUNTY
Chartered Accountants

W. J. SINNOTT
Partner

Dated at Bendigo, 25 September 2012

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