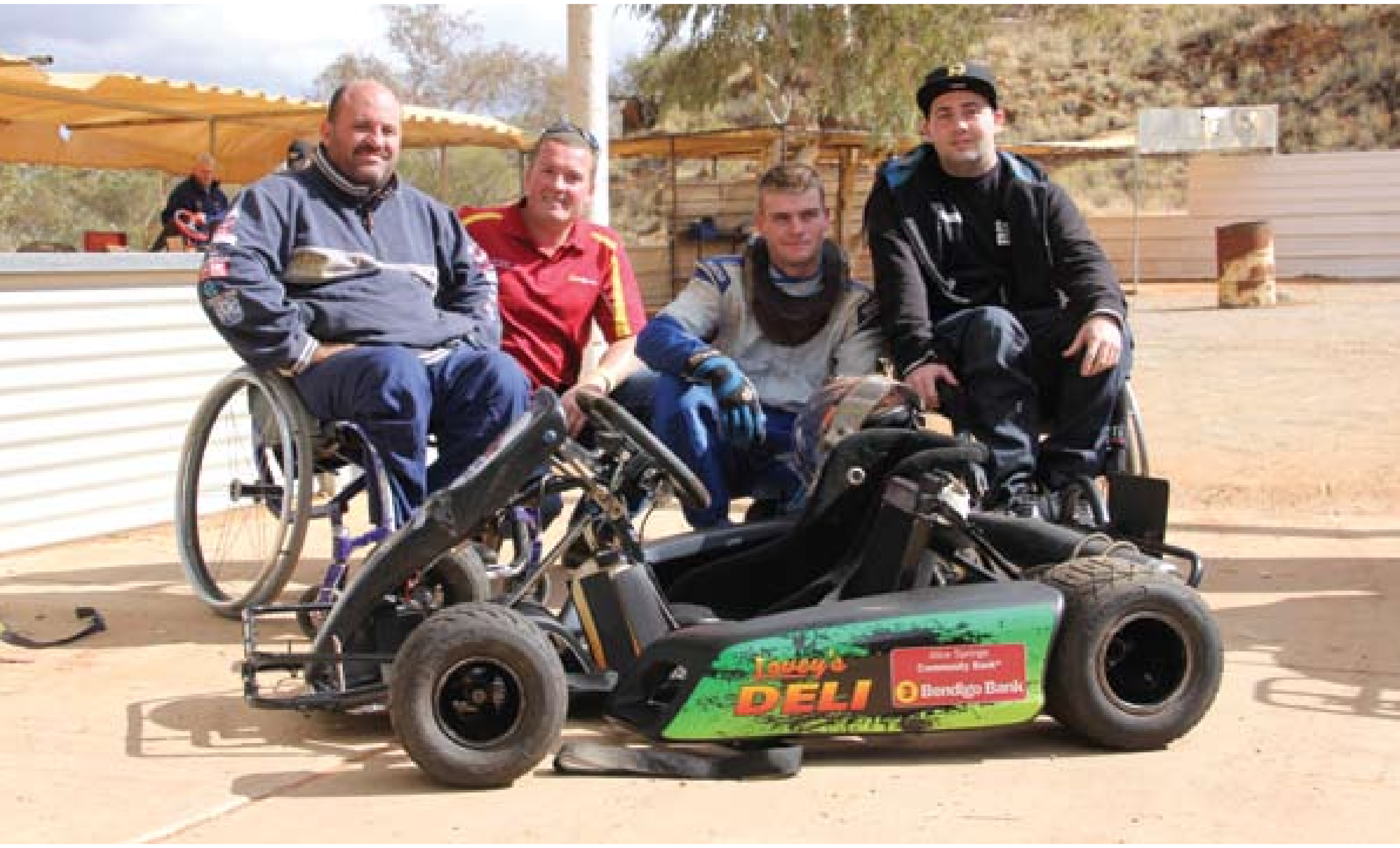

Alice Springs Community Financial Services Limited

ABN 97 122 893 449

ANNUAL REPORT 2013

Alice Springs **Community Bank®** Branch

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Chairman's report

For year ending 30 June 2013

This past year has been a great year and I am pleased to say that if we continue in the manner we are doing, we are very close to making a profit and being able to give more back to the community and to hopefully be able to give a dividend to our shareholders. We need to continue on the same track and get more support from the community. Without the community's support by banking with us we are unable to make this happen.

We have grown our total business of deposits and loans from $36 million last year to an amazing $64 million, which is an increase of 78%. It is great that we have been able to continue the trend that we started in the 2011/12 financial year and draw it into this financial year and we hope to keep this performance up into the future.

We have given $19,236 directly back to the community in sponsorships to different organisations and $20,959 in advertising and marketing in 2012/13. We have continued in our support to the community by supporting a section of organisations including Alice Springs Karting Club, Central Australian Drag Racing Committee, Red Hot Arts Central Australia, Tourism Central Australia, Sadadeen Primary School, Braitling Primary School, Centralian Eisteddfod, Old Timers Fete, Alice Women's Shelter, Central Australia Territory Craft, Central Australian & Rural Volunteer Fire fighters, Ross Park School, Alice Springs Running and walking shelter, Finke Desert Race, 8CCC Radio Station, St John Ambulances, St Phillips School and Alice Running an walking club.

Our great team of staff is at the centre of this growth and I must thank every one of them. First of all I would like to thank Renee DeMarco and Fiona Tasker: they have both been a great backbone to the branch with the changing of staff over the last couple of years and have played a huge role in the continued great customer service that the branch provides. Their knowledge of our branch and what we stand for shows in the great work that the pair of the do, and also in the way that they have trained our new staff. Katelyn Dunn and Aleesha O'Hanlon joined us at Christmas fresh from completing year 12 at Centralian College. They both are quick learners and have a wonderful 'can do' attitude. It is great that we are able to provide jobs and career directions for our local young people.

Stephen Marshall returned to Alice Springs in January as Branch Manager. Stephen has bought with him over 10 years of experience within the corporate arena of Bendigo Bank and the banking sector and is already showing us his skill. Stephen had served on the Board as Treasurer in 2011/2012 and he already knew some of the Board members and had a sound knowledge of the Board's responsibilities before he applied for and won the Branch Manager position. Stephen and Jason making a formable team, and as you can see from our lending, have really grown our business.

Jason's position of Business Banker has been made a permanent position which is great news. We are one of a few **Community Bank®** branches that have their own Business Banker which puts us in another strong position. Jason has made some great contacts and continues to grow our business and is always looking towards the longer term business, making connections and what is good for our community.

Noel, our former Board Chairperson, stepped down from the Board during the year. He has been a great strength to the Board and the branch and we are grateful for his leadership and hard work and he remains close by as a great source of knowledge. Some other Board members also stepped down as they moved away from Alice Springs or had other commitments to pursue. But again, we have some great new Board members who bring with them knowledge and enthusiasm including Michelle Cooper. We have a very strong Board and we are still working on building a future which includes the challenge of getting and keeping the younger generation interested and involved with continued training and support for all of the Board from Bendigo and Adelaide Bank.

Bridget May
Chairperson

Manager's report

For year ending 30 June 2013

Welcome to the sixth Annual Report for Alice Springs **Community Bank®** Branch.

Despite this year providing us with some significant challenges, we have ended the year with some positive results. During this past year, we have achieved a number of significant outcomes:

We continued to connect with the Alice Springs community by providing:

- A two-year scholarship to an Alice Springs student to assist him with the costs of attending University in Adelaide,
- Our continued support of the Centralian Eisteddfod,
- Our investment in the youth of Alice Springs by employing two local school leavers to fill our vacant Customer Service Officer positions,
- Support for many other local events and organisations.

Key indicators for the business show:

- Our customer base grew by 12.3% to 1,624
- Our loan book increased by 44%
- Our deposit book increased by 107%
- Our total business grew by 78% to be $64 million at 30 June 2013.

It is pleasing to see our total business grow significantly as many people, myself included, retain absolute confidence that Alice Springs **Community Bank®** Branch can make a significant contribution to banking in Alice Springs. The one thing we do need to increase is the number of loans we are writing. I shall be spending considerable time over the coming year to develop strategies to boost our number of loans. I encourage all shareholders to recommend our branch to all your friends and family when considering their lending position.

On a staffing level, we spent the first half of the year without a Manager and sincere thanks must go to both Renee DeMarco and Jason Reid for covering the position until my arrival in January. During the year we said farewell to Tahnee and Daniel and we thank them for their efforts during their employment. In December, we welcomed both Aleesha O'Hanlon and Katelyn Dunn who were employed straight from a local high school and have fitted in incredibly well. Renee Demarco and Fiona Tasker continue to provide the high level of service they have become renowned for and provide fantastic role models for Aleesha and Katelyn. With a Branch Manager now in place, Jason has now been able to concentrate on his business banking role and delivered some great results this year.

I must thank the Board who have been unwavering in their support of the staff and myself during 2012/13. Their belief in our long-term vision and determination to make our branch successful continues to be an inspiration to all the branch staff.

I would also like to thank you, the shareholders, for your ongoing support and in particular those shareholders who have shown total support and commitment by banking with the Alice Springs **Community Bank®** Branch.

Stephen Marshall
Branch Manager

Bendigo and Adelaide Bank report

For year ending 30 June 2013

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

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

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

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

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

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

- Returns to community – $102 million
- **Community Bank®** branches – 298
- **Community Bank®** branch staff – more than 1,460
- **Community Bank®** company Directors – 1,925
- Banking business – $24.46 billion
- Customers – 640,159
- Shareholders – 72,062
- Dividends paid to shareholders since inception – $30.88 million.

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

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

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

Bendigo and Adelaide Bank report (continued)

Bendigo and Adelaide Bank remains one of the few banks globally to be awarded an upgraded credit rating since the onset of the Global Financial Crisis. Our Bank continues to be rated at least "A-" by Standard & Poor's, Moody's and Fitch in recognition of its strong performance in the face of what continues to be a challenging economic environment.

While continued ratings affirmation is a welcome boost for the Bank and its partners, trading conditions are still difficult, with consumer confidence and demand for credit remaining low, and competition remaining very strong for retail deposits.

Not surprisingly, these factors continue to place pressure on the 50/50 margin share agreement between the Bank and our **Community Bank®** partners. As a result some **Community Bank®** companies are receiving much more than 50 per cent of revenue earned.

In April, the Bank took a further step to restore this balance, ensuring that the **Community Bank®** model produced a more appropriate balance of return for all stakeholders within this partnership model. The Bank will continue to review this remuneration model to ensure it is fair and equitable for all parties and is as resilient as possible to the fast changing economic environment.

It continues to be Bendigo and Adelaide Bank's vision to be Australia's leading customer-connected bank. We believe our strength comes from our focus on the success of our customers, people, partners and communities. We take a 100-year view of our business; we listen and respect every customer's choice, needs and objectives. We partner for sustainable long-term outcomes and aim to be relevant, connected and valued.

This is what drives each and every one of our people and we invite you as **Community Bank®** shareholders to support us as we work with your community to deliver on our goals and ensure our sustained and shared success.

As **Community Bank®** shareholders you are part of something special, a unique banking movement which has evolved into a whole new way of thinking about banking and the role it plays in modern society.

With the community's support, there really is no limit to what can be achieved under the **Community Bank®** model, and I look forward to seeing what the next 15 years will bring.

I thank you for your important support of your local **Community Bank®** branch.

Robert Musgrove
Executive Community Engagement

Directors' report

For the financial year ended 30 June 2013

Your Directors submit their report of the company for the financial year ended 30 June 2013.

Directors

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

Name and position held	Qualifications	Experience and other Directorships
Bridget May Chairperson Board member since 2011	Diploma of Business Management Cert IV in Tourism	Business owner Office Manager Secretary, community organisation board
Noel Thomas (resigned January 2013) Deputy Chairperson Board member since 2006		Company Director, Noel Thomas Pty Ltd. Business owner-operator.
John Childs Secretary Board member since 2011	Batchelor of Civil Engineering (Sydney U) PhD (University New South Wales) Member Institution of Engineers Australia (ret.)	Divisional Director, NT Public Sector Chair, Secretary, Treasurer for various sporting bodies Program Manager, Cooperative Research Centre
Matt Skoss (resigned November 2012) Director Board member since 2010	Bachelor of Education (Deakin University) Diploma of Teaching (WACAE)	Senior Teacher President, Mathematics Teachers' Association of the NT Member of Executive, Council of Government School Organisations NT
Rachel Hull (resigned July 2012) Director Board member since 2010	Certificate IV Finance (Accounting) CDU	Banking Manager Car Rental Bookkeeping
Jocelyn Davies Director Board member since 2011	PhD (Geography) UNSW BA (Geography) UNE BA/Asian Studies ANU Accredited member, Institute of Australian Geographers	Research scientist, CSIRO Former business owner-operator
Alice De Brenni Director Board member since 2011	Certificate III Financial Services	Bookkeeping & Administration experience Secretary, Treasurer for various organisations including School Councils OLSH School board member

Directors (continued)

Dalton Dupuy Director Board member since 2011	Bachelor of Arts (Amherst College) Grad Dip Public Health (UNSW)	Senior Manager NSW Health Business owner-operator.
Paul Lelliot (resigned May 2013) Director Board member since April 2012		Businessman
Mimi Yuen (resigned September2012) Director Board member since July 2012	Accountant	Accountant
Michelle Cooper Director Board member since April 2013	Diploma of Project Management	Manager (Education International Business & Delegations/Financial/Change & Review Programs/Strategic Business/Policy and Governance) Alice Water Smart Advisory Committee

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.

Review of operations

The loss of the company for the financial year after providing for income tax was $59,757 (2012 loss: $117,557), which is a 49% improvement as compared with the previous year.

The net liabilities of the company have increased to $217,378 (2012: $157,621). The increase is largely due to the increase in the bank overdraft.

Dividends

The Directors recommend that no dividend be paid for the current year.

Significant changes in the state of affairs

No significant changes in the company's state of affairs occurred during the financial year.

Events subsequent to reporting date

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

Remuneration report

Remuneration policy

Director positions are held on a voluntary basis and Directors are not remunerated for their services.

Remuneration benefits and payments

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 held during the year was 12. Attendances by each Director during the year were as follows:

Director	Board meetings #	Audit committee meetings #
Bridget May	10 (12)	0(3)
Noel Thomas (resigned January 2013)	6 (7)	N/A
John Childs	10 (12)	N/A
Matt Skoss (resigned November 2012)	4 (5)	N/A
Rachel Hull (resigned July 2012)	0 (0)	N/A
Jocelyn Davies	6 (12)	3(3)
Alice De Brenni	11 (12)	N/A

Directors' meetings (continued)

Director	Board meetings #	Audit committee meetings #
Dalton Dupuy	10 (12)	N/A
Paul Lelliot (resigned May 2013)	5 (11)	1(2)
Mimi Yuen (resigned September 2012)	1 (1)	N/A
Michelle Cooper (from April 13)	3 (3)	N/A

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.

Likely developments

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

Environmental regulations

The company is not subject to any significant environmental regulation. However, the Board believes that the company has adequate systems in place for the management of its environment requirements and is not aware of any breach of these environmental requirements as they apply to the company.

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.

Company Secretary

John Childs has been the Company Secretary of Alice Springs Community Financial Services Limited since 2011. John's qualifications and experience include BEng, PhD and experience as a senior government bureaucrat.

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 the 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.

Directors' report (continued)

Auditor independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set at page 11 of this financial report. No Officer of the company is or has been a partner of the Auditor of the company.

Signed in accordance with a resolution of the Board of Directors at Alice Springs on 25 September 2013.

Bridget May
Director

Auditor's independence declaration

Richmond Sinnott & Delahunty
Chartered Accountants

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Fax: (03) 5444 4344
Email: rsd@rsdadvisors.com.au
www.rsdadvisors.com.au

25 September 2013

The Directors
Alice Springs Community Financial Services Limited
PO Box 4079
ALICE SPRINGS, NT 0870

Dear Directors

To the Directors of Alice Springs Community Financial 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 year ended 30 June 2013 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.

Warren Sinnott
Partner
Richmond Sinnott & Delahunty

Financial statements

Statement of profit or loss and other comprehensive income for the year ended 30 June 2013

	Notes	2013 $	2012 $
Revenue	2	417,754	337,511
Employee benefits expense	3	(221,455)	(202,031)
Depreciation and amortisation expense	3	(34,604)	(48,422)
Bad and doubtful debts expense	3	(532)	(1,438)
Rental expense		(66,238)	(66,874)
Other expenses		(159,937)	(161,192)
Operating profit/(loss) before charitable donations & sponsorships		**(65,012)**	**(142,446)**
Charitable donations and sponsorships		(21,135)	(15,271)
Profit/(loss) before income tax expense		**(86,147)**	**(157,717)**
Tax expense / (benefit)	4	(26,390)	(40,160)
Profit/(loss) for the year		**(59,757)**	**(117,557)**
Other comprehensive income		-	-
Total comprehensive income		**(59,757)**	**(117,557)**
Profit/(loss) attributable to:			
Members of the company		(59,757)	(117,557)
Total		**(59,757)**	**(117,557)**
Earnings per share (cents per share)			
- basic for profit / (loss) for the year	21	(6.97)	(13.71)
- diluted for profit / (loss) for the year	21	(6.97)	(13.71)

The accompanying notes form part of these financial statements.

Statement of financial position as at 30 June 2013

	Notes	2013 $	2012 $
Assets			
Current assets			
Cash and cash equivalents	6	330	623
Trade and other receivables	7	57,745	21,562
Total current assets		**58,075**	**22,185**
Non-current assets			
Property, plant and equipment	8	84,673	102,712
Deferred tax asset	4	410,211	383,821
Intangible assets	9	57,684	2,000
Total non-current assets		**552,568**	**488,533**
Total assets		**610,643**	**510,718**
Liabilities			
Current liabilities			
Trade and other payables	10	81,157	18,273
Borrowings	11	743,523	643,080
Provisions	12	3,341	6,986
Total current liabilities		**828,021**	**668,339**
Total liabilities		**828,021**	**668,339**
Net assets / (liabilities)		**(217,378)**	**(157,621)**
Equity			
Issued capital	13	839,034	839,034
Retained earnings / (accumulated losses)	14	(1,056,412)	(996,655)
Total equity		**(217,378)**	**(157,621)**

The accompanying notes form part of these financial statements.

Statement of changes in equity
for the year ended 30 June 2013

	Notes	Issued Capital $	Accumulated Losses $	Total Equity $
Balance at 1 July 2011		**839,097**	**(879,098)**	**(40,001)**
Total comprehensive income for the year		-	(117,557)	(117,557)
Transactions with owners, in their capacity as owners				
Shares issued during the year		(63)	-	(63)
Dividends paid or provided	22	-	-	-
Balance at 30 June 2012		**839,034**	**(996,655)**	**(157,621)**
Balance at 1 July 2012		**839,034**	**(996,655)**	**(157,621)**
Total comprehensive income for the year		-	(59,757)	(59,757)
Transactions with owners, in their capacity as owners				
Shares issued during the year		-	-	-
Dividends paid or provided	22	-	-	-
Balance at 30 June 2013		**839,034**	**(1,056,412)**	**(217,378)**

The accompanying notes form part of these financial statements.

Statement of cash flows for the year ended 30 June 2013

	Notes	2013 $	2012 $
Cash flows from operating activities			
Receipts from clients		423,296	373,560
Payments to suppliers and employees		(506,060)	(463,945)
Dividend revenue received		-	-
Interest paid		-	-
Interest received		-	-
Net cash flows from/(used in) operating activities	**15b**	**(82,764)**	**(90,385)**
Cash flows from investing activities			
Purchase of property, plant & equipment		(3,027)	(960)
Purchase of intangible assets		(14,945)	-
Net cash flows from/(used in) investing activities		**(17,972)**	**(960)**
Net increase/(decrease) in cash held		**(100,736)**	**(91,345)**
Cash and cash equivalents at start of year		(642,457)	(551,112)
Cash and cash equivalents at end of year	**15a**	**(743,193)**	**(642,457)**

The accompanying notes form part of these financial statements.

Notes to the financial statements

For year ended 30 June 2013

The financial statements and notes represent those of Alice Springs Community Financial Services Limited.

Alice Springs Community Financial Services Limited ('the company') is a company limited by shares, incorporated and domiciled in Australia.

The financial statements were authorised for issue by the Directors on 25 September 2013.

Note 1. Summary of significant accounting policies

(a) Basis of preparation

The financial statements are general purpose financial statements, that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board 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 Australian Accounting Standards Board 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 (IFRS). Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

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

(b) Going Concern

The financial statements have been prepared on a going concern basis which contemplates continuity of normal businss activities and the realisation of assets and discharge of liabilities in the normal course of business.
The Directors believe that it is reasonably foreseeable that the company will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial statements after consideration of the following:

(i) The company recognises that losses will be incurred during the development of the business and while market access is being developed within the district. The company has reported a loss after tax of $59,757 (2012: $117,557) for the year ended 30 June 2013. The company has budgeted for a loss before tax of $75,886 for the 2013/14 year. The Directors will continue to review their growth forecast budget and cashflows throughout the 2013/14 year.

(ii) Bendigo and Adelaide Bank Limited has confirmed that it will continue to support the company and its operations for the 2013/14 financial year and beyond through the provision of an overdraft facility normal commercial terms and conditions to assist with working capital requirements."

(c) 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.

Note 1. Summary of significant accounting policies (continued)

(c) Income tax (continued)

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.

(d) 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.

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

Class of asset	Depreciation rate
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.

(e) 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.

Note 1. Summary of significant accounting policies (continued)

(f) 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 Australian Taxation Office (ATO). 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 inclusive of the amount of GST receivable or payable.

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

The GST components of investing and financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(g) Employee benefits

Provision is made for the company's liability for employee benefits arising from the services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy any vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows attributable to the employee benefits.

(h) Intangibles

Establishment costs have been initially recorded at cost and amortised on a straight line basis at a rate of 20% per annum. The current amortisation charges for intangible assets are included under depreciation and amortisation expense per the Statement of Profit or Loss and Other Comprehensive Income.

(i) Cash

Cash on hand and in banks are stated at nominal value. Bank overdrafts are shown as short term borrowings in current liabilities in the statement of financial position.

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.

(j) Revenue

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Revenue comprises service commissions and other income received by the company.

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

(k) Receivables and payables

Receivables and payables are non interest bearing and generally have payment terms of between 30 and 90 days. Receivables expected to be collected within 12 months at the end of the reporting period are classified as current assets. 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 and are recognised as a current liability.

Note 1. Summary of significant accounting policies (continued)

(l) New accounting standards and interpretations not yet adopted

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the company.

The company has decided not to early adopt any of the new and amended pronouncements. The company's assessment of the new and amended pronouncements that are relevant to the company but applicable in the future reporting periods is set below:

(i) AASB 9 Financial Instruments (2010), AASB 9 Financial Instruments (2009)

AASB 9 (2009) introduces new requirements for the classification and measurement of financial assets. Under AASB 9 (2009), financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. AASB 9 (2010) introduces additions relating to financial liabilities. The IASB currently has an active project that may result in limited amendments to the classification and measurement requirements of AASB 9 and add new requirements to address the impairment of financial assets and hedge accounting.

AASB 9 (2010 and 2009) are effective for annual periods beginning on or after 1 January 2015 with early adoption permitted. The adoption of AASB 9 (2010) is not expected to have an impact on the company's financial assets or financial liabilities.

(ii) AASB 13 Fair Value Measurement (2011)

AASB 13 provides a single source of guidance on how fair value is measured, and replaces the fair value measurement guidance that is currently dispersed throughout Australian Accounting Standards. Subject to limited exceptions, AASB 13 is applied when fair value measurements or disclosures are required or permitted by other AASBs. The company is currently reviewing its methodologies in determining fair values. AASB 13 is effective for annual periods beginning on or after 1 January 2013 with early adoption permitted.

(iii) AASB 119 Employee Benefits (2011)

AASB 119 (2011) changes the definition of short-term and other long-term employee benefits to clarify the distinction between the two. For defined benefit plans, removal of the accounting policy choice for recognition of actuarial gains and losses is not expected to have any impact on the company. However, the company may need to assess the impact of the change in measurement principles of expected return on plan assets. AASB 119 (2011) is effective for annual periods beginning on or after 1 January 2013 with early adoption permitted..

(m) Loans and borrowings

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

(n) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which is probable that the outflow of economic benefits will result and the outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

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)

(o) 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.

(p) Comparative figures

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

(q) 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 deferred tax asset or the provision for income tax liability. Deferred tax assets are recognised only when it is considered sufficient future profits will be generated. The assumptions made regarding future profits is based on the company's assessment of future cash flows.

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.

(r) 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.

Note 1. Summary of significant accounting policies (continued)

(r) Financial instruments (continued)

Classification and subsequent measurement (continued)

Fair value represents the amount for which an asset would be exchanged or a liability settled, between knowledgeable willing parties. Where available quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are applied to determine the fair value. Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less 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. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(ii) Financial liabilities

Non derivative financial liabilities are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

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 to be 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 debtor is experiencing significant financial difficulty, default or delinquency in payments, indications that they will enter bankruptcy or other financial reorganisation and changes in arrears or economic conditions that correlate with defaults.

Derecognition of financial instruments

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

	2013 $	**2012 $**
Note 2. Revenue and other income		
Revenue		
- services commissions	417,754	337,511
- other revenue	-	-
	417,754	**337,511**

	2013 $	2012 $

Note 2. Revenue and other income (continued)

	2013 $	2012 $
Other revenue		
- interest received	-	-
- other revenue	-	-
	-	**-**
Total revenue	**417,754**	**337,511**

Note 3. Expenses

	2013 $	2012 $
Employee benefits expense		
- wages and salaries	173,540	168,973
- superannuation costs	14,737	12,780
- other costs	33,178	20,278
	221,455	**202,031**
Depreciation of non-current assets:		
- plant and equipment	20,705	24,422
Amortisation of non-current assets:		
- intangible assets	13,899	24,000
	34,604	**48,422**
Bad debts	532	1,438

Note 4. Tax expense

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

	2013 $	2012 $
Prima facie tax on profit/(loss) before income tax at 30% (2012: 30%)	(25,844)	(47,315)
Add tax effect of:		
- Overprovision of FITB in prior year	-	1,175
- Non-deductible expenses	(546)	5,980
Current income tax expense	**(26,390)**	**(40,160)**
Income tax attributable to the entity	**(26,390)**	**(40,160)**
Deferred tax asset		
Future income tax benefits arising from tax losses are recognised at reporting date as realisation of the benefit is regarded as probable.	**410,211**	**383,821**

The applicable income tax rate is the Australian Federal tax rate of 30% (2012: 30%) applicable to Australian resident companies.

	2013 $	2012 $

Note 5. Auditors' remuneration

Remuneration of the Auditor for:

- Audit or review of the financial report	3,900	3,900
- Taxation services	500	500
- Share registry services	-	-
	4,400	**4,400**

Note 6. Cash and cash equivalents

Cash at bank and on hand	**330**	**623**

Note 7. Trade and other receivables

Current		
Trade debtors	49,212	19,962
Other assets	8,533	1,600
	57,745	**21,562**

Credit risk

The company has no significant concentration of credit risk with respect to any single counterparty or group of counterparties.

The following table details the company's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as "past due" when the debt has not been settled within the terms and conditions agreed between the company and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the company.

The balances of receivables that remain within initial trade terms (as detailed in the table below) are considered to be high credit quality.

Note 7. Trade and other receivables (continued)

Credit risk (continued)

	Gross amount	Past due and impaired	Past due but not impaired			Not past due
			< 30 days	31-60 days	> 60 days	
2013						
Trade receivables	49,212	-	-	-	-	49,212
Total	**49,212**	**-**	**-**	**-**	**-**	**49,212**
2012						
Trade receivables	19,962	-	-	-	-	19,962
Total	**19,962**	**-**	**-**	**-**	**-**	**19,962**

	2013 $	2012 $

Note 8. Property, plant and equipment

	2013 $	2012 $
Plant and equipment		
At cost	201,776	220,673
Less accumulated depreciation	(117,103)	(117,961)
Total written down amount	**84,673**	**102,712**
Movements in carrying amounts		
Plant and equipment		
Balance at the beginning of the reporting period	102,712	126,174
Additions	3,163	960
Disposals	-	-
Depreciation expense	(21,202)	(24,422)
Balance at the end of the reporting period	**84,673**	**102,712**

Note 9. Intangible assets

	2013 $	2012 $
Franchise fee		
At cost	69,221	10,000
Less accumulated amortisation	(11,537)	(9,839)
	57,684	**161**

	2013 $	2012 $

Note 9. Intangible assets (continued)

	2013 $	2012 $
Preliminary expenses		
At cost	110,000	110,000
Less accumulated amortisation	(110,000)	(108,161)
	-	**1,839**
	57,684	**2,000**
Movements in carrying amounts		
Franchise fee		
Balance at the beginning of the reporting period	161	2,167
Additions	69,221	-
Disposals	-	-
Amortisation expense	(11,698)	(2,006)
Balance at the end of the reporting period	**57,684**	**161**
Preliminary expenses		
Balance at the beginning of the reporting period	1,839	23,833
Additions	-	-
Disposals	-	-
Amortisation expense	(1,839)	(21,994)
Balance at the end of the reporting period	**-**	**1,839**
	57,684	**2,000**

Note 10. Trade and other payables

	2013 $	2012 $
Current		
Unsecured liabilities:		
Trade creditors	81,157	18,273
	81,157	**18,273**

Note 11. Borrowings

	2013 $	2012 $
Bank overdraft	743,523	643,080
	743,523	**643,080**

The company has an overdraft facility of $780,000 which is subject to normal terms and conditions.

	2013 $	2012 $

Note 12. Provisions

	2013 $	2012 $
Employee benefits	**3,341**	**6,986**
Movement in employee benefits		
Opening balance	6,986	5,250
Additional provisions recognised	-	1,736
Amounts utilised during the year	(3,645)	-
Closing balance	**3,341**	**6,986**
Current		
Annual Leave	3,341	6,986
Total provisions	**3,341**	**6,986**

Provision for employee benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience the company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

Note 13. Share capital

	2013 $	2012 $
857,530 Ordinary shares fully paid of $1 each	857,530	857,530
Less: Restatement of ordinary shares held	(63)	(63)
Less: Equity raising costs	(18,433)	(18,433)
	839,034	**839,034**
Movements in share capital		
Fully paid ordinary shares:		
At the beginning of the reporting period	857,530	857,530
Shares issued during the year	-	-
At the end of the reporting period	**857,530**	**857,530**

Note 13. Share capital (continued)

Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held. At the shareholders' meetings each shareholder is entitled to one vote when a poll is called, or on a show of hands.

The company does not have authorised capital or par value in respect of its issued shares. All issued shares are fully paid. All shares rank equally with regard to the company's residual assets.

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 2013 can be seen in the Statement of Profit or Loss and Comprehensive Income.

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

	2013 $	2012 $

Note 14. Retained earnings / (accumulated losses)

	2013 $	2012 $
Balance at the beginning of the reporting period	(996,655)	(879,098)
Profit/(loss) after income tax	(59,757)	(117,557)
Balance at the end of the reporting period	**(1,056,412)**	**(996,655)**

Note 15. Statement of cash flows

(a) Cash and cash equivalents balances as shown in the statement of financial position can be reconciled to that shown in the statement of cash flows as follows

	2013 $	2012 $
As per the statement of financial position	330	623
less Bank overdraft	(743,523)	(643,080)
As per the statement of cash flow	**(743,193)**	**(642,457)**

Note 15. Statement of cash flows (continued)

(b) Reconciliation of profit / (loss) after tax to net cash provided from/(used in) operating activities

	2013 $	2012 $
Profit / (loss) after income tax	(59,757)	(117,557)
Non cash items		
- Depreciation	21,067	24,422
- Amortisation	13,536	24,000
- Restatement of ordinary shares held	-	(63)
Changes in assets and liabilities		
- (Increase) decrease in receivables	(36,183)	5,533
- (Increase) decrease in deferred tax asset	(26,390)	(40,160)
- Increase (decrease) in payables	8,608	11,704
- Increase (decrease) in provisions	(3,645)	1,736
Net cash flows from/(used in) operating activities	**(82,764)**	**(90,385)**

(c) Credit standby arrangement and loan facilities

The company has a bank overdraft and commercial bill facility amounting to $780,000 (2012: $700,000). This may be terminated at any time at the option of the bank. At 30 June 2013, $743,523 of this facility was used (2012: $643,080). Variable interest rates apply to these overdraft and bill facilities.

Note 16. Related party transactions

The company's main related parties are as follows:

(a) Key management personnel

Any person(s) having authority or responsibility for planning, directing or controlling the activities of the entity, directly or indirectly including any Director (whether executive or otherwise) of that company is considered key management personnel.

(b) Other related parties

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel, individually or collectively with their close family members.

(c) Transactions with key management personnel and related parties

Other than detailed below, no key management personnel or related party has entered into any contracts with the company. No Director fees have been paid as the positions are held on a voluntary basis.

Note 16. Related party transactions (continued)

(d) Key management personnel shareholdings

The number of ordinary shares in Alice SpringsCommunity Financial Services Limited held by each key management personnel of the company during the financial year is as follows:

	2013	2012
Bridget May	3,500	3,500
Noel Thomas (resigned Jan. 2013)	10,001	10,001
John Childs	2,000	2,000
Matt Skoss (resigned Nov. 2012)	500	500
Rachel Hull (resigned July 2012)	500	500
Jocelyn Davies	2,500	2,500
Alice De Brenni	6,000	6,000
Dalton Dupuy	500	500
Paul Lelliot (resigned May 2013)	-	-
Mimi Yuen (resigned Sep. 2012)	-	-
Michelle Cooper	-	-

There was no movement in key management personnel shareholdings during the year. Each share held has a paid up value of $1 and is fully paid.

(e) Other key management transactions

There has been no other transactions involving equity instruments other than those described above.

Note 17. Events after the reporting period

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

Note 18. Contingent liabilities and assets

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

Note 19. Operating segments

The company operates in the financial services sector where it provides banking services to its clients. The company operates in one geographic area being Alice Springs, Northern Territory. The company has a franchise agreement in place with Bendigo and Adelaide Bank Limited who account for 100% of the revenue (2012: 100%).

	2013 $	2012 $

Note 20. Company details

The registered office & principle place of business is:

Shop 25/26, Coles Complex, Bath Street,
Alice Springs, NT 0870

Note 21. 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:

	2013 $	2012 $
Profit/(loss) after income tax expense	**(59,757)**	**(117,557)**
Weighted average number of ordinary shares for basic and diluted earnings per share	**857,530**	**857,530**

Note 22. Dividends paid or provided for on ordinary shares

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

Note 23. 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 as detailed in the accounting policies are as follows:

	Note	2013 $	2012 $
Financial assets			
Cash & cash equivalents	6	330	623
Trade and other receivables	7	57,745	21,562
Total financial assets		**58,075**	**22,185**
Financial liabilities			
Trade and other payables	10	81,157	18,273
Bank overdraft	11	743,523	643,080
Total financial liabilities		**824,680**	**661,353**

Note 23. Financial risk management (continued)

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.

Credit risk is managed through maintaining procedures that ensure, to the extent possible, that clients and counterparties to transactions are of sound credit worthiness and their financial stability is monitored and assessed on a regular basis. Such monitoring is used in assessing receivables for impairment. Credit terms for normal fee income are generally 30 days from the date of invoice. For fees with longer settlements, terms are specified in the individual client contracts. In the case of loans advanced, the terms are specific to each loan.

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying amount and classification of those financial assets as presented in the statement of financial position.

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 Limited.

None of the assets of the company are past due (2012: 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 and therefore credit risk is considered minimal.

	2013 $	2012 $
Cash and cash equivalents:		
A rated	**330**	**623**

(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.

In addition the company has established an overdraft facility of $780,000 with Bendigo and Adelaide Bank Limited.

Note 23. Financial risk management (continued)

(b) Liquidity risk (continued)

Financial liability and financial asset maturity analysis:

	Note	Total $	Within 1 year $	1 to 5 years $	Over 5 years $
30 June 2013					
Financial liabilities due					
Trade and other payables	10	81,157	81,157	–	–
Loans and borrowings	11	743,523*	743,523	–	–
Total expected outflows		**824,680**	**824,680**	**–**	**–**
Financial assets - realisable					
Cash & cash equivalents	6	330	330	–	–
Trade and other receivables	7	57,745	57,745	–	–
Total anticipated inflows		**58,075**	**58,075**	**–**	**–**
Net (outflow)/inflow financial instruments		**(766,605)**	**(766,605)**	**–**	**–**

	Note	Total $	Within 1 year $	1 to 5 years $	Over 5 years $
30 June 2012					
Financial liabilities due					
Trade and other payables	10	18,273	18,273	–	–
Loans and borrowings	11	643,080*	643,080	–	–
Total expected outflows		**661,353**	**661,353**	**–**	**–**
Financial assets - realisable					
Cash & cash equivalents	6	623	623	–	–
Trade and other receivables	7	21,562	21,562	–	–
Total anticipated inflows		**22,185**	**22,185**	**–**	**–**
Net (outflow)/inflow financial instruments		**(639,168)**	**(639,168)**	**–**	**–**

* The Bank overdraft has no set repayment period and as such all has been included as current.

Note 23. Financial risk management (continued)

(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 the risk 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.

The weighted average interest rates of the company's interest-bearing financial assets are as follows:

Financial assets	2013 %	2012 %
Cash and cash equivalents (net of bank overdrafts)	0.01%	0.01%

Sensitivity analysis

The following table illustrates sensitivities to the company's exposures to changes in interest rates and equity prices. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables.

	Profit $	Equity $
Year ended 30 June 2013		
+/- 1% in interest rates (interest income)	(7,432)	(7,432)
	(7,432)	**(7,432)**
Year ended 30 June 2012		
+/- 1% in interest rates (interest income)	(6,425)	(6,425)
	(6,425)	**(6,425)**

The company has no exposure to fluctuations in foreign currency.

(d) Price risk

The company is not exposed to any material price risk.

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.

Directors' declaration

In accordance with a resolution of the Directors of Alice Springs Community Financial Services Limited, the Directors of the company declare that:

1 the financial statements and notes of the company as set out on pages 12 to 33 are in accordance with the Corporations Act 2001 and:

   (i) comply with Australian Accounting Standards, which as stated in accounting policy Note 1(a) to the financial statements constitutes compliance with International Financial Reporting Standards (IFRS); and

   (ii) give a true and fair view of the company's financial position as at 30 June 2013 and of the performance for the year ended on that date;

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.

This resolution is made in accordance with a resolution of the Board of Directors.

Bridget May
Director

Signed at Alice Springs on 25 September 2013.

Richmond Sinnott & Delahunty
Chartered Accountants

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Bendigo, Victoria
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALICE SPRINGS COMMUNITY FINANCIAL SERVICES LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Alice Springs Community Financial Services Limited, which comprises the statement of financial position as at 30 June 2013, the statement of profit or loss and other 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 at the year's end.

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. In Note 1, 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 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 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 Alice Springs Community Financial Services Limited, would be in the same terms if provided to the directors as at the time of this auditor's report.

Auditor's Opinion

In our opinion:

(a) the financial report of Alice Springs Community Financial Services Limited is in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the company's financial position as at 30 June 2013 and of its performance for the year ended on that date; and

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

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

Emphasis of Matter

Without qualification to the audit opinion expressed above, attention is drawn to the following matter. Note 1(b) "Going Concern' in the financial statements indicates the company recorded a loss after tax of $59,757 (2012: loss of $117,557). The directors have prepared a budget for the 2013/14 year which indicates a budgeted loss before tax of $75,886 will be recorded.

The directors have received a financial facility to assist with working capital requirements for the next twelve months. Without the financial facility, there is significant uncertainty whether Alice Springs Community Financial Services Limited will continue as a going concern.

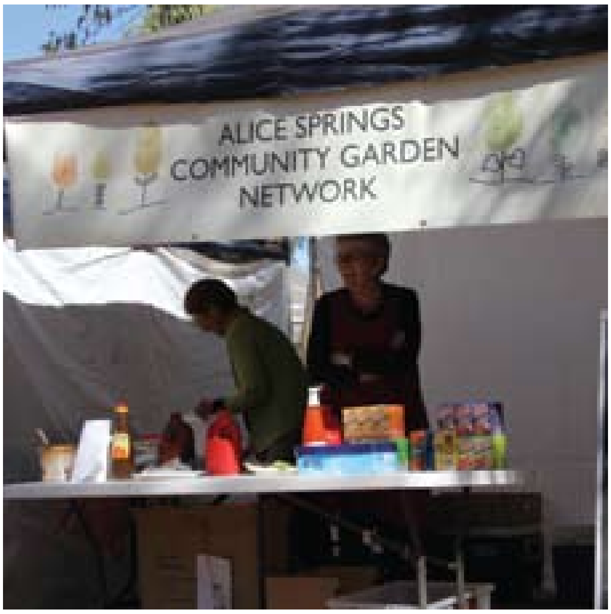
These conditions indicate the existence of a material uncertainty which may cast doubt about the Company's ability to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business at the amounts stated in the financial report.

Richmond Sinnott & Delahunty

RICHMOND SINNOTT & DELAHUNTY
Chartered Accountants

W. J. SINNOTT
Partner

Dated at Bendigo, 25 September 2013



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