



# Annual Report 2015

Beaconsfield District  
Community Financial Services Ltd

ABN 18 134 858 889

Beaconsfield District **Community Bank**<sup>®</sup> Branch

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# Chairman's report

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For year ending 30 June 2015

In the past financial year banking operations have been very competitive for our **Community Bank**<sup>®</sup> branch, however it was satisfying to achieve growth in gross income of nearly \$50,000. The trading loss for the year is in line with budget and the Strategic Plan.

The income of a **Community Bank**<sup>®</sup> branch is generated from Funds Under Management including deposits, loans, financial wealth and various other products. All banking is with Bendigo and Adelaide Bank. During the financial year these Funds Under Management increased by approximately \$15.5 million (28%), however our gross revenue increased by \$49,296 (13%) due to lower margins in a low interest rate environment. This has significantly impacted our operating results for the financial year. The growth in the Funds Under Management has been excellent particularly in lending and our funds currently exceed \$73 million and we are budgeting to increase the funds to \$80.8 million by the end of the current financial year. Depending on the mix of Funds Under Management our **Community Bank**<sup>®</sup> branch should be able to significantly improve the trading result in the 2015/16 year and improve the base for future growth. The Board is projecting growth of Funds Under Management in the next two years averaging \$10 million per annum. If this is achieved and there are no large unexpected or abnormal expenses, we anticipate achieving break-even or modest profit or at least a cash operating profit in the 2016/17 year. The branch is well positioned to achieve this growth.

The growth in our business is unlikely to occur without the continued dedication of staff capably led by Manager Andrew Gardner, Customer Relationship Officer Natalie Romero and Customer Service Officers Erin McColley, Kylie Durrant and new member Asoka Ratwatte. Our staff are very experienced bankers with access to other specialist areas including financial wealth, insurances, and business lending. One role of Directors is to promote the **Community Bank**<sup>®</sup> branch providing staff with referrals who have the expertise and resources to provide an extensive range of banking facilities. All shareholders should also be advocates for the **Community Bank**<sup>®</sup> branch to help achieve the business growth we need. Any referrals would be much appreciated even no-obligation "financial health check" of anyone's current banking position.

As part of the Franchise Agreement, each **Community Bank**<sup>®</sup> branch is provided with Marketing and Development Funds (MDF) from Bendigo and Adelaide Bank to promote the branch in the community. In the last financial year our branch received \$50,000 of which \$38,637 was contributed to local organisations predominately as sponsorship. The policy adopted by the Board of Directors is that any requests for sponsorship must meet certain guidelines including obtaining the organisation's business, access to members to inform of benefits of banking with Bendigo and Adelaide Bank, advertising, signage etc. These business relationships are viewed to promote longer term benefits for the organisations, the members and the **Community Bank**<sup>®</sup> branch.

Another factor that will impact our growth is the impact of Project Horizon. Our partner Bendigo and Adelaide Bank has, in conjunction with the national **Community Bank**<sup>®</sup> network, recently completed the most comprehensive review of the **Community Bank**<sup>®</sup> model since inception.

The Project Horizon review looked at the **Community Bank**<sup>®</sup> model from its humble beginnings in 1998 to what is today, a network of 310 branches with representation in every State and Territory.

In accordance with Project Horizon, MDF monies we receive will be effectively reduced by 25% commencing on 1 July 2016 and used for collaborative marketing by Bendigo and Adelaide Bank. This will make it more important to appraise the benefits of all sponsorship agreements.

I appreciate the ongoing support, assistance and banking expertise provided by Bendigo and Adelaide Bank through the Regional Office with Regional Manager Sophia Cole. Our branch has been part of the South West Gippsland Region for the past year and I appreciate the support from the regional staff.

## Chairman's report (continued)

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An important aspect of any business and particularly a **Community Bank**<sup>®</sup> branch, is having friendly customer orientated staff. Branch Manager Andrew Gardner, Natalie Romero (Customer Relationship Officer) and the Customer Service Officers have sound knowledge of banking and the willingness of staff to assist customers and also promote the branch outside normal work hours is greatly appreciated by the Board.

Since the last Annual Report, Bruce Shaw has informed the Board that he will not be seeking re-appointment as a Director. We sadly record the recent death of George Nicholson a past Director of the company. These Directors have contributed a lot of time, energy and expertise for the **Community Bank**<sup>®</sup> branch and company in their roles as Directors. Board members have undertaken planning and governance matters including revisions of our Strategic Plan, Business Plan and a Board Review. In addition, Board members have attended functions and meetings in connection with sponsorships, National and State **Community Bank**<sup>®</sup> Conferences as well as other training. Thank you to all Board members for their contributions and commitment to their responsibilities as Directors of Beaconsfield District Community Financial Services Ltd. There is much participation required of Directors outside of attending Board and committee meetings and I acknowledge the voluntary commitment the Directors provided during the year.

Finally, the continued support of the shareholders is appreciated and has greatly assisted the development of our **Community Bank**<sup>®</sup> branch business. With your continued support combined with the efforts of the staff and Board members, we can improve our trading and financial position and benefits will ultimately flow to shareholders and to the local community.



**Graeme J Taylor**  
**Chairman**

# Manager's report

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For year ending 30 June 2015

I am delighted to present my third Annual Report as Branch Manager of Beaconsfield District **Community Bank**<sup>®</sup> Branch. Our future remains positive as we continue to grow and develop our business.

The financial year has been one of solid performance from an operational perspective for our **Community Bank**<sup>®</sup> branch and I am pleased to provide this summary of our results.

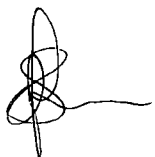
Overall our footings grew by \$15 million which is most pleasing. Our expansion has seen a further increase of 20% in customer numbers and increasing business support from our local communities. While our deposits have always remained steady with an increase of \$9 million, it is our loan book that has given us a lift, with an increase of \$6.1 million this year. This is pleasing given that the industry in general has seen a decline in credit appetite of both consumers and businesses alike.

During this financial year we contributed a significant amount back to the local community. Since opening we have given back over \$135,000 through sponsorship and marketing. This is an amazing contribution, and your business is now making a significant difference in the Beaconsfield community. With only approximately 40% of our shareholders banking with us, there is a massive opportunity for further growth, success, and bottom line profit in just our shareholder business alone.

At the Beaconsfield District **Community Bank**<sup>®</sup> Branch we are committed to working in partnership with our shareholders and the local community. Ultimately the success of the branch is in all of our hands. The growth of your investment, and benefits to the community will depend on a combined effort to have shareholders, businesses and individuals supporting the branch by way of accounts, loans, insurance and investments (to name just a few of the products and services available to everyone). I commend our shareholders on their support to date. I encourage you to recommend the branch to relatives and friends. Staff would be only too pleased to call anyone no matter what their banking requirement needs may be.

The above results have not been achieved without a great deal of hard work, passion and dedication by a great team of staff and I would like to acknowledge and thank team members; Natalie Romero, Erin McColley, Kylie Durrant and Asoka Ratwatte for their commitment and on-going support. It is our absolute pleasure to be fortunate enough to work with them. I would also like to thank the Board of Directors for their support and guidance over the past 12 months. They are a great group of people who give freely of their own time, doing a thankless job for the benefit of the community.

Thanks also to the Bendigo and Adelaide Bank's Regional Support Office and Sophia Cole our Regional Manager for their support and contribution, which ensures that the value of our partnership with Bendigo and Adelaide Bank is maximised. Finally, I wish to thank all of our customers and shareholders for their support and I trust that our personal service and commitment to the community will ensure the continued future success of the Beaconsfield District **Community Bank**<sup>®</sup> Branch.



**Andrew Gardner**  
**Branch Manager**



# Bendigo and Adelaide Bank report

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For year ending 30 June 2015

In the 2015 financial year, the **Community Bank**<sup>®</sup> network opened its 310th branch and community contributions since the model's inception exceed \$130 million. Both of these achievements could not have been achieved without your ongoing support as a shareholder, customer and advocate of what is a truly unique way of banking for the benefit of your local community.

Local communities continue to embrace the **Community Bank**<sup>®</sup> model, a banking movement founded on the simple belief that successful customers and successful communities create a successful bank.

Seventeen years later communities are still approaching us and the model is as robust and relevant as ever, however a review of what we were doing, why and how we could do it better was timely.

During an 18 month period the Bank, in partnership with the **Community Bank**<sup>®</sup> network, undertook a comprehensive review of the **Community Bank**<sup>®</sup> model. Project Horizon was the largest single engagement process ever undertaken by our organisation.

As a result, a focus for the next 18 months will be the implementation of 64 recommendations. What was overwhelmingly obvious is that our **Community Bank**<sup>®</sup> network, and our Bank, care deeply about what has been developed and in what the future holds for the network.

In the early days of **Community Bank**<sup>®</sup> development, the **Community Bank**<sup>®</sup> model was seen as a way to restore branch banking services to rural towns, regional cities and metropolitan suburbs after the last of the banks closed their doors.

Today, although the focus is still about providing banking services, there is perhaps an even greater interest in the way in which the model creates a successful community enterprise used to effectively, and sustainably, build community capacity.

In October 2014, we welcomed **Community Bank**<sup>®</sup> branches in Bacchus Marsh, Kilmore, Maffra, Kwinana and Nubeena. All of these branches join a strong and mature banking network where valued partnerships enhance banking services, taking the profits their banking business generates and reinvesting that funding into initiatives to ultimately strengthen their community.

Following consultation with local residents and business owners responding to other banks reducing their branch presence, Aldinga Beach **Community Bank**<sup>®</sup> Branch opened the Willunga Customer Service Centre in April 2015, providing a full banking service to local people five days a week.

The **Community Bank**<sup>®</sup> model is a great example of shared value and was centre stage at an international Shared Value conference in the United States earlier this year.

Funding generated by **Community Bank**<sup>®</sup> branches support projects that make a difference to a community. But no matter how big or small the place people call home, the **Community Bank**<sup>®</sup> network recognises that when they act as one, powered by the good that money can bring, bigger things can happen for local towns, regions and states.

In WA, a \$125,000 commitment to Ronald McDonald House by Collie & Districts **Community Bank**<sup>®</sup> Branch resulted in a further \$125,000 from 21 branches (both community and company owned) in the state.

In QLD, Longreach farming families are now feeding their stock thanks to a dedicated Rotary Club and financial contributions from 16 **Community Bank**<sup>®</sup> (and company) branches.

Across regional and rural NSW, young people are today better drivers thanks to a driver education program supported by **Community Bank**<sup>®</sup> branches and across Australia, 58 young people headed off to their first year of university with the help of a **Community Bank**<sup>®</sup> scholarship.

# Bendigo and Adelaide Bank report (continued)

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Interest in the **Community Bank**<sup>®</sup> model remains strong, with 20 **Community Bank**<sup>®</sup> sites currently in development and a further six **Community Bank**<sup>®</sup> branches expected to open nationally during the next 12 months.

The network's steady expansion demonstrates the strength and relevance of a banking model where the desire to support the financial needs of customers is equalled by the desire to support the community with the good that money can bring.

By the end of the financial year 2014/15 the **Community Bank**<sup>®</sup> network achieved the following:

- Returns to community – over \$130 million since the model's inception
- **Community Bank**<sup>®</sup> branches – 310
- **Community Bank**<sup>®</sup> branch staff – more than 1,500
- **Community Bank**<sup>®</sup> company Directors – 1,946
- Banking business – \$28.79 billion
- Customers – 699,000
- Shareholders – 74,393
- Dividends paid to shareholders since inception – \$38.6 million

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

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

Our **Community Bank**<sup>®</sup> partners played an integral role in the Bank's involvement in the Financial Systems Inquiry, lobbying their local Federal Government representatives and calling for a level playing field.

Recent APRA announcements regarding changes to risk weights on mortgages will positively impact our Bank – providing customers with a level playing field by giving them more choice from a wider variety of financial providers.

Thanks to the efforts of our people, our peers and **Community Bank**<sup>®</sup> partners, we're starting to see the benefits. In continuing to take a collaborative approach, we act as one network driving positive outcomes for all Australians.

As **Community Bank**<sup>®</sup> company shareholders you are part of a unique banking movement.

The model offers an alternative way to think about banking and the role banks play in modern society, and because of your support there really is no limit to what can be achieved for local people and the communities in which you live.

Thank you for your ongoing support of your local **Community Bank**<sup>®</sup> branch.



**Robert Musgrove**  
**Executive Community Engagement**

# Treasurer's report

For year ending 30 June 2015

This financial report covers the year ended 30 June 2015 with comparative amounts for previous annual periods.

The financial performance as set out in the following table compares actual results for the last four financial periods, with the budgeted 2014/15 income and expenditure approved by the company's Board of Directors.

	Actual results \$'000				Budget \$'000	Budget Variation favourable (unfavourable)
	2011/12	2012/13	2013/14	2014/15	2014/15	
<b>Revenue from activities</b>	<b>428</b>	<b>414</b>	<b>428</b>	<b>479</b>	<b>476</b>	<b>3</b>
Salaries and employment costs	275	276	295	304	294	-10
Depreciation and amortisation	43	39	39	33	33	0
Administrative and other costs	207	194	218	239	241	2
<b>Total expenses</b>	<b>524</b>	<b>509</b>	<b>552</b>	<b>576</b>	<b>568</b>	<b>-8</b>
Net loss (before tax)	-97	-94	-124	-97	-92	-5

With the exception of staff costs, the 2014/15 financial year met budget expectations. Staff costs represented strengthening staff lending positions and overall growing experience of staff resulting in the increased staff costs over plan.

The company has been afforded a continued overdraft facility by Bendigo and Adelaide Bank and a 2015/16 budget approved by them falls within this facility limit. At time of writing, company performance sees us remaining ahead of budget which is summarised as follows:

- Revenue from activities including MDF \$554,430
- Salaries and employment costs \$314,167
- Depreciation and amortisation \$30,240
- Administrative and other costs \$234,298
- Net loss \$24,275

As for last financial year, a deflated lending market again impacted our operations and our book remains deposit orientated despite good lending growth. Although our Funds Under Management increased significantly for the year (28%), low interest margins restricted related gross revenue to a 13% increase. The graphs at the foot of this report reflect our business growth (deposits and loans) and percentage increase in Funds Under Management compared with related increase in gross revenue.

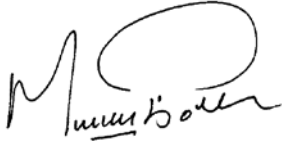
Concentration on continuing recent improvement in our lending position continues to be an obvious priority and as always, support of shareholders in directing any new business opportunities to our branch will greatly assist.

The Finance Committee acknowledges the assistance of the Board of Directors, our Branch Manager, Andrew Gardner and his staff, as well as the various administrative staff of Bendigo and Adelaide Bank Limited. I also thank other Finance Committee members, Graeme Taylor and Rohan Treasure.

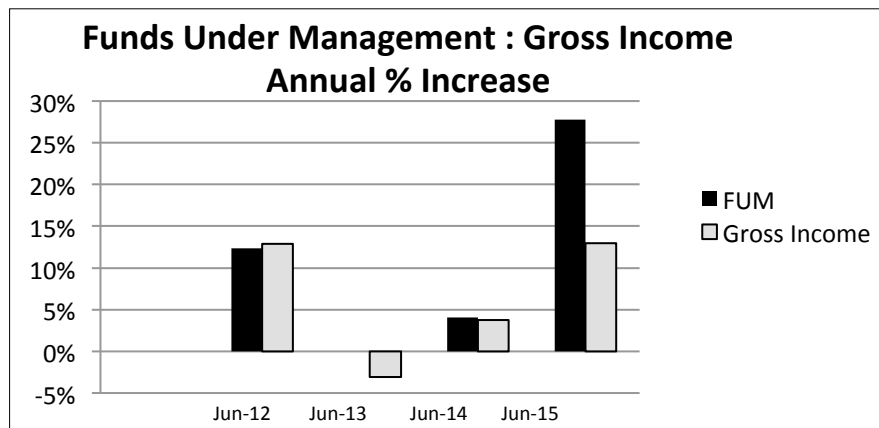
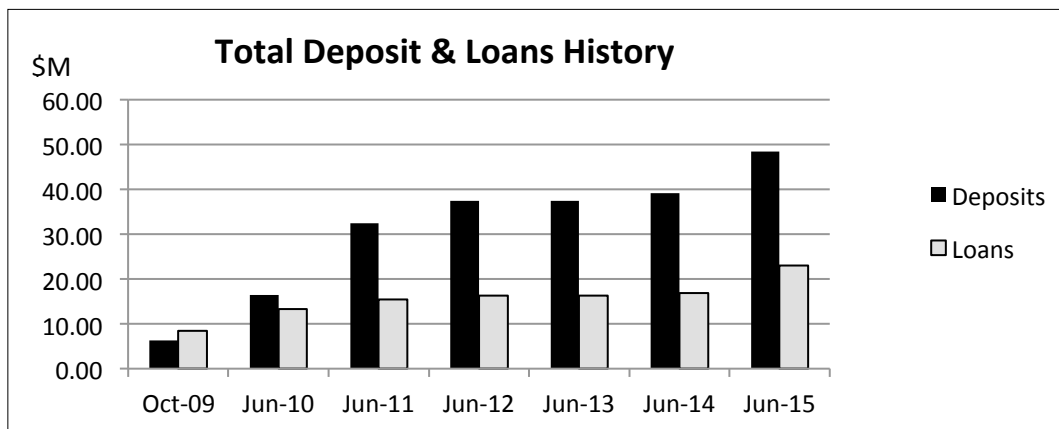


# Treasurer's report (continued)

I particularly thank Michelle Wheeler, Chartered Accountant for again capably handling all our accounting and taxation compliance matters including BAS and IAS returns, preparation of Statutory Financial Reports and liaising with the Auditors. The work undertaken by Michelle has allowed Directors to devote more time to other aspects of the business and is truly appreciated.



**Maurice Potter**  
Treasurer



# Directors' report

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For the financial year ended 30 June 2015

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

## Directors

The following persons were Directors of Beaconsfield District Community Financial Services Limited during or since the end of the financial year up to the date of this report:

Name and position held	Qualifications	Experience and other Directorships
<b>Graeme James Taylor</b> Appointed 9/01/09 Director	Chartered Accountant Australia - FCA	Chartered Accountant in practice. No other public company directorships
<b>John Edward French</b> Appointed 9/01/09 Director		Training Services Manager No other public company directorships
<b>Carol Anne Porter</b> Appointed 9/01/09 Director		Partner in Plumbing Business No other public company directorships
<b>Rohan James Treasure</b> Appointed 9/01/09 Director		Managing Director No other public company directorships
<b>Bruce Ian Shaw</b> Appointed 20/11/13 Director		Travel Agent No other public company directorships
<b>Gregory James Tomamichel</b> Appointed 20/11/13 Director		Mechanical Engineer No other public company directorships
<b>George William Nicholson</b> Appointed 20/11/13 Resigned 27/08/14 Director		Retired General Manager No other public company directorships
<b>Gerald James Treasure</b> Appointed 20/11/13 Director		Retired No other public company directorships
<b>Maurice Lisle Potter</b> Appointed 9/01/09 Company Secretary		Retired Bank Officer No other public company directorships

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

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

# Directors' report (continued)

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## Principal activities

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

There have 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 provision for income tax was \$76,646 (2014 loss: \$95,346), which is a 20% decrease as compared with the previous year.

The net assets of the company have decreased to \$174,355 (2014: \$251,001). The decrease is largely due to the loss incurred.

## Dividends

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

## Options

No options over issued shares were granted during or since the end of the financial year and there were no options outstanding as at the date of this report.

## 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 the end of the reporting period

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

There has been no remuneration policy developed as Director positions are held on a voluntary basis and Directors are not remunerated for their services.

### Remuneration benefits and payments

Other than detailed below, 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.

The Beaconsfield District Community Financial Services Limited has accepted the Bendigo and Adelaide Bank Limited's **Community Bank**<sup>®</sup> Directors Privileges package. The package is available to all Directors who can elect to avail themselves of the benefits based on their personal banking with the branch. There is no requirement to own Bendigo and Adelaide Bank Limited shares and there is no qualification period to qualify to utilise the benefits. The package mirrors the benefits currently available to Bendigo and Adelaide Bank Limited shareholders. The Directors have estimated the total benefits received from the Directors Privilege Package to be \$NIL for the year ended 30 June 2015.

# Directors' report (continued)

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## 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 incurred 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 11. Attendances by each Director during the year were as follows:

Director	Board meetings #
Graeme James Taylor	11 (11)
John Edward French	7 (11)
Carol Anne Porter	10 (11)
Rohan James Treasure	10 (11)
Bruce Ian Shaw	6 (11)
Gregory James Tomamichel	11 (11)
George William Nicholson (Resigned 27 August 2014)	0 (1)
Gerald James Treasure	10 (11)
Maurice Lisle Potter	8 (11)

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

## 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 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.

# Directors' report (continued)

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## **Company Secretary**

Maurice Lisle Potter has been the Company Secretary of Beaconsfield District Community Financial Services Limited since 2009.

Maurice's qualifications and experience include 43 years service with National Australia Bank, mostly in specialist administration and system development roles.

## **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 13 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 Beaconsfield on 23 September, 2015.



**Graeme James Taylor**  
**Director**

# Auditor's independence declaration

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**Richmond  
Sinnott &  
Delahunty**

Chartered Accountants

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Bendigo, VICTORIA  
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**Auditor's Independence Declaration under section 307C of the Corporations Act 2001 to the Directors of Beaconsfield District Community Financial Services Limited**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2015 there has been no contraventions of:

- (i) the Auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

**RICHMOND SINNOTT & DELAHUNTY**  
Chartered Accountants



**Kathie Teasdale**  
Partner  
Bendigo

Dated at Bendigo, 23 September 2015



# Financial statements

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## Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2015

	Note	2015 \$	2014 \$
Revenue	2	478,927	428,421
Employee benefits expense	3	(303,466)	(295,206)
Depreciation and amortisation expense	3	(32,700)	(38,903)
Finance costs	3	(6,784)	(3,078)
Bad and doubtful debts expense	3	(82)	(112)
Rental expense		(40,056)	(38,486)
Other expenses		(153,713)	(144,560)
<b>Operating loss before charitable donations &amp; sponsorships</b>		<b>(57,874)</b>	<b>(91,924)</b>
Charitable donations and sponsorships		(38,637)	(32,030)
<b>Loss before income tax</b>		<b>(96,511)</b>	<b>(123,954)</b>
Tax benefit	4	(19,865)	(28,608)
<b>Loss for the year</b>		<b>(76,646)</b>	<b>(95,346)</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>(76,646)</b>	<b>(95,346)</b>
Loss attributable to members of the company		(76,646)	(95,346)
<b>Total comprehensive income attributable to members of the company</b>		<b>(76,646)</b>	<b>(95,346)</b>
<b>Earnings per share (cents per share)</b>			
- basic earnings per share	23	(10.02)	(12.46)

The accompanying notes form part of these financial statements.

# Financial statements (continued)

## Statement of Financial Position as at 30 June 2015

	Note	2015 \$	2014 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	67	163
Trade and other receivables	7	46,885	46,390
<b>Total current assets</b>		<b>46,952</b>	<b>46,553</b>
<b>Non-current assets</b>			
Property, plant and equipment	8	101,986	116,030
Deferred tax assets	13	250,849	230,984
Intangible assets	9	72,715	19,465
<b>Total non-current assets</b>		<b>425,550</b>	<b>366,479</b>
<b>Total assets</b>		<b>472,502</b>	<b>413,032</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	10	47,676	25,212
Loans and borrowings	11	176,779	113,653
Provisions	12	25,408	23,166
<b>Total current liabilities</b>		<b>249,863</b>	<b>162,031</b>
<b>Non Current liabilities</b>			
Trade and other payables	10	42,945	-
Provisions	12	5,339	-
<b>Total Non Current liabilities</b>		<b>48,284</b>	-
<b>Total liabilities</b>		<b>298,147</b>	<b>162,031</b>
<b>Net assets</b>		<b>174,355</b>	<b>251,001</b>
<b>Equity</b>			
Issued capital	14	748,476	748,476
Accumulated losses	15	(574,121)	(497,475)
<b>Total equity</b>		<b>174,355</b>	<b>251,001</b>

The accompanying notes form part of these financial statements.

# Financial statements (continued)

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

	Note	Issued capital \$	Accumulated losses \$	Total equity \$
<b>Balance at 1 July 2013</b>		<b>748,476</b>	<b>(402,129)</b>	<b>346,347</b>
Profit for the year		-	(95,346)	(95,346)
Other comprehensive income for the year		-	-	-
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>(95,346)</b>	<b>(95,346)</b>
<b>Transactions with owners, in their capacity as owners</b>				
Shares issued during the year		-	-	-
Dividends paid or provided	24	-	-	-
<b>Balance at 30 June 2014</b>		<b>748,476</b>	<b>(497,475)</b>	<b>251,001</b>
<b>Balance at 1 July 2014</b>		<b>748,476</b>	<b>(497,475)</b>	<b>251,001</b>
Profit for the year		-	(76,646)	(76,646)
Other comprehensive income for the year		-	-	-
<b>Total comprehensive income for the year</b>		<b>748,476</b>	<b>(574,121)</b>	<b>174,355</b>
<b>Transactions with owners, in their capacity as owners</b>				
Shares issued during the year		-	-	-
Dividends paid or provided	24	-	-	-
<b>Balance at 30 June 2015</b>		<b>748,476</b>	<b>(574,121)</b>	<b>174,355</b>

The accompanying notes form part of these financial statements.

## Financial statements (continued)

### Statement of Cash Flows for the year ended 30 June 2015

	Note	2015 \$	2014 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		526,484	460,910
Payments to suppliers and employees		(568,277)	(551,343)
Interest paid		(6,784)	(3,078)
Interest received		-	1
<b>Net cash used in operating activities</b>	<b>16b</b>	<b>(48,577)</b>	<b>(93,510)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant & equipment		(3,193)	-
Purchase of intangibles		(11,453)	-
<b>Net cash flows used in investing activities</b>		<b>(14,646)</b>	<b>-</b>
<b>Net decrease in cash held</b>		<b>(63,223)</b>	<b>(93,510)</b>
Cash and cash equivalents at beginning of financial year		(113,490)	(19,980)
<b>Cash and cash equivalents at end of financial year</b>	<b>16a</b>	<b>(176,713)</b>	<b>(113,490)</b>

The accompanying notes form part of these financial statements.

# Notes to the financial statements

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For year ended 30 June 2015

These financial statements and notes represent those of Beaconsfield District Community Financial Services Limited.

Beaconsfield District 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 17 September 2015.

## Note 1. Summary of significant accounting policies

### (a) Basis of preparation

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The company is a for profit entity for financial reporting purposes under Australian Accounting Standards. 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, 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.

#### Economic dependency

The company has entered into a franchise agreement with Bendigo and Adelaide Bank Limited that governs the management of the **Community Bank**<sup>®</sup> branches.

The branches operate as a franchise of Bendigo and Adelaide Bank Limited, using the name "Bendigo Bank" and the logo and system of operations of Bendigo and Adelaide Bank Limited. The company manages the **Community Bank**<sup>®</sup> branches on behalf of Bendigo and Adelaide Bank Limited, however all transactions with customers conducted through the **Community Bank**<sup>®</sup> branches are effectively conducted between the customers and Bendigo and Adelaide Bank Limited.

All deposits are made with Bendigo and Adelaide Bank Limited, and all personal and investment products are products of Bendigo and Adelaide Bank Limited, with the company facilitating the provision of those products. All loans, leases or hire purchase transactions, issues of new credit or debit cards, temporary or bridging finance and any other transaction that involves creating a new debt, or increasing or changing the terms of an existing debt owed to Bendigo and Adelaide Bank Limited, must be approved by Bendigo and Adelaide Bank Limited. All credit transactions are made with Bendigo and Adelaide Bank Limited, and all credit products are products of Bendigo and Adelaide Bank Limited.

Bendigo and Adelaide Bank Limited provides significant assistance in establishing and maintaining the **Community Bank**<sup>®</sup> branch franchise operations. It also continues to provide ongoing management and operational support, and other assistance and guidance in relation to all aspects of the franchise operation, including advice in relation to:

- Advice and assistance in relation to the design, layout and fit out of the **Community Bank**<sup>®</sup> branch;
- Training for the Branch Managers and employees in banking, systems and interface protocol;

# Notes to the financial statements (continued)

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## Note 1. Summary of significant accounting policies (continued)

### (a) Basis of preparation (continued)

#### Economic dependency (continued)

- Methods and procedures for the sale of products and provision of services;
- Security and cash logistic controls;
- Calculation of company revenue and payment of many operating and administrative expenses;
- The formulation and implementation of advertising and promotional programs; and
- Sale techniques and proper customer relations.

#### Going concern

The net assets of the company as at 30 June 2015 were \$174,355 and the loss made for the year was \$76,646 bringing accumulated losses to \$574,121.

The company meets its day to day working capital requirements through an overdraft facility that has been approved to 30 September 2016. The overdraft has an approved limit of \$250,000 and was drawn to \$176,779 as at 30 June 2015.

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 Directors will continue to review their growth forecast budget and cash flows throughout the 2015/16 year, and measure to preserve cash and secure additional finance, these circumstances create material uncertainties over future trading results and cash flow.

Bendigo and Adelaide Bank Limited has confirmed that it will continue to support the company and its operations for the 2015/16 financial year, and beyond through the provision of an overdraft facility on normal commercial terms and conditions to assist with working capital requirements. The support is provided on the basis that the company continues to fulfil its obligations under the franchise agreement and continues to work closely with Bendigo and Adelaide Bank Limited to further develop its business.

Based on the above, and after making additional enquiries, 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.

### (b) Income tax

The income tax income for the year comprises current income tax income and deferred tax income.

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax assets are measured at the amounts expected to be recovered from the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Deferred income tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.



# Notes to the financial statements (continued)

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## Note 1. Summary of significant accounting policies (continued)

### **(c) Fair value of assets and liabilities**

The company may measure some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the company would receive to sell an assets or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair value of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

### **(d) Property, plant and equipment**

Each class of property, plant and equipment is carried at cost or fair value as indicated, less, where applicable, any accumulated depreciation and impairment losses.

#### Plant and equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount of these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

#### Depreciation

The depreciable amount of all fixed asset's, is depreciated on a straight-line basis over the asset's useful life to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

# Notes to the financial statements (continued)

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## Note 1. Summary of significant accounting policies (continued)

### **(d) Property, plant and equipment (continued)**

#### Depreciation (continued)

The depreciation rates used for each class of depreciable asset are:

<b>Class of asset</b>	<b>Depreciation rate</b>
Leasehold improvements	7%
Plant & equipment	10 - 100%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

### **(e) Impairment of assets**

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less cost to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard. Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

### **(f) Goods and services tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

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 with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or 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**

#### Short-term employee benefits

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

# Notes to the financial statements (continued)

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## Note 1. Summary of significant accounting policies (continued)

### **(g) Employee benefits (continued)**

#### Short-term employee benefits (continued)

The company's obligation for short-term employee benefits such as wages and salaries are recognised as part of current trade and other payables in the statement of financial position. The company's obligation for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

#### Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurement for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The company's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

### **(h) Intangible assets and franchise fees**

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 in the Statement of Profit or Loss and Other Comprehensive Income.

### **(i) Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are reported within 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 and other income**

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

Interest, dividend and fee revenue is recognised when earned.

All revenue is stated net of the amount of goods and services tax (GST).

### **(k) Trade and other receivables**

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

# Notes to the financial statements (continued)

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## Note 1. Summary of significant accounting policies (continued)

### **(k) Trade and other receivables (continued)**

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

### **(l) Trade and other payables**

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

### **(m) New and amended accounting policies adopted by the company**

There are no new and amended accounting policies that have been adopted by the company this financial year.

### **(n) New accounting standards for application in future periods**

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 and associated Amending Standards (applicable for annual reporting periods beginning on or after 1 January 2017)**

This Standard will be applicable retrospectively and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

The key changes that may affect the company on initial application include certain simplifications to the classification of financial assets.

Although the Directors anticipate that the adoption of AASB 9 may have an impact on the company's financial instruments, it is impractical at this stage to provide a reasonable estimate of such impact.

#### **(ii) AASB 15: Revenue from Contracts with Customers (applicable for annual reporting periods commencing on or after 1 January 2017)**

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in change for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

# Notes to the financial statements (continued)

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Note 1. Summary of significant accounting policies (continued)

**(n) New accounting standards for application in future periods (continued)**

**(ii) AASB 15: Revenue from Contracts with Customers (applicable for annual reporting periods commencing on or after 1 January 2017) (continued)**

This Standard will require retrospective restatement, as well as enhanced disclosure regarding revenue.

Although the Directors anticipate that the adoption of AASB 15 may have an impact on the company's financial instruments, it is impractical at this stage to provide a reasonable estimate of such impact.

**(o) Loans and borrowings**

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

**(p) 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.

**(q) 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.

**(r) Comparative figures**

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

**(s) 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 charges 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. 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.

# Notes to the financial statements (continued)

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## Note 1. Summary of significant accounting policies (continued)

### **(s) Critical accounting estimates and judgements (continued)**

#### Impairment

The company assesses impairment at the end of each reporting period by evaluating 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.

### **(t) 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.

Amortised cost is calculated as the amount at 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.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discount estimated future cash payments or receipts over the expected life (or where this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in the profit or loss.

#### (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

A financial asset (or group of financial assets) 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(s).

In the case of financial assets carried at amortised cost loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency on interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.



# Notes to the financial statements (continued)

## Note 1. Summary of significant accounting policies (continued)

### (t) Financial instruments (continued)

#### Impairment (continued)

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial asset is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

#### Derecognition

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.

	2015 \$	2014 \$
<b>Note 2. Revenue and other income</b>		
Revenue		
- services commissions	428,466	379,170
- other revenue	50,000	48,750
	<b>478,466</b>	<b>427,920</b>
Other revenue		
- interest received	-	1
- other revenue	461	500
	<b>461</b>	<b>501</b>
<b>Total revenue</b>	<b>478,927</b>	<b>428,421</b>

## Notes to the financial statements (continued)

	2015 \$	2014 \$
<b>Note 3. Expenses</b>		
Employee benefits expense		
- wages and salaries	277,224	269,575
- superannuation costs	25,547	23,458
- workers' compensation costs	695	856
- other costs	-	1,317
	<b>303,466</b>	<b>295,206</b>
Depreciation of non-current assets:		
- leasehold improvements	7,910	7,907
- plant and equipment	9,327	8,996
Amortisation of non-current assets:		
- intangible assets	15,463	22,000
	<b>32,700</b>	<b>38,903</b>
Finance costs		
- Interest paid	6,784	3,078
Bad debts	82	112

## 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:

Prima facie tax on profit/(loss) before income tax at 30% (2014: 30%)	(28,953)	(37,186)
Add tax effect of:		
- Adjustments in respect of current income tax of previous year	-	-
- Utilisation of previously unrecognised carried forward tax losses	-	-
- Non-deductible expenses	9,088	8,578
<b>Current income tax expense</b>	<b>(19,865)</b>	<b>(28,608)</b>
<b>Income tax attributable to the entity</b>	<b>(19,865)</b>	<b>(28,608)</b>
The applicable weighted average effective tax rate is	20.58%	23.08%

The applicable income tax rate is the Australian Federal tax rate of 30% (2014: 30%) applicable to Australian resident companies.

## Notes to the financial statements (continued)

	2015	2014
	\$	\$

### Note 5. Auditors' remuneration

Remuneration of the Auditor for:

- Audit or review of the financial report	4,630	4,100
- Taxation services	-	-
- Share registry services	1,800	1,790
	<b>6,430</b>	<b>5,890</b>

### Note 6. Cash and cash equivalents

Cash at bank and on hand	67	163
	<b>67</b>	<b>163</b>

### Note 7. Trade and other receivables

#### Current

Trade receivables	36,251	36,066
Other assets	10,634	10,324
	<b>46,885</b>	<b>46,390</b>

#### Credit risk

The main source of credit risk relates to a concentration of trade receivables owing by Bendigo and Adelaide Bank Limited, which is the source of the majority of the company's income.

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.

## Notes to the financial statements (continued)

### 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 \$	
<b>2015</b>						
Trade receivables	36,251	-	-	-	-	36,251
Other receivables	10,634	-	-	-	-	10,634
<b>Total</b>	<b>46,885</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>46,885</b>
<b>2014</b>						
Trade receivables	36,066	-	-	-	-	36,066
Other receivables	10,324	-	-	-	-	10,324
<b>Total</b>	<b>46,390</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>46,390</b>

	2015 \$	2014 \$
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### Note 8. Property, plant and equipment

#### Leasehold improvements

At cost	118,595	118,595
Less accumulated depreciation	(45,478)	(37,568)
	<b>73,117</b>	<b>81,027</b>

#### Plant and equipment

At cost	95,370	92,177
Less accumulated depreciation	(66,501)	(57,174)
	<b>28,869</b>	<b>35,003</b>
<b>Total written down amount</b>	<b>101,986</b>	<b>116,030</b>

#### Movements in carrying amounts

##### Leasehold improvements

Balance at the beginning of the reporting period	81,027	88,934
Additions	-	-
Disposals	-	-
Depreciation expense	(7,910)	(7,907)
<b>Balance at the end of the reporting period</b>	<b>73,117</b>	<b>81,027</b>

## Notes to the financial statements (continued)

	2015 \$	2014 \$
Note 8. Property, plant and equipment (continued)		
<b>Plant and equipment</b>		
Balance at the beginning of the reporting period	35,003	43,999
Additions	3,193	-
Disposals	-	-
Depreciation expense	(9,327)	(8,996)
<b>Balance at the end of the reporting period</b>	<b>28,869</b>	<b>35,003</b>

## Note 9. Intangible assets

<b>Franchise fee</b>		
At cost	178,713	110,000
Less accumulated amortisation	(120,878)	(105,415)
	<b>57,835</b>	<b>4,585</b>
<b>Goodwill</b>		
At cost	14,880	14,880
	<b>14,880</b>	<b>14,880</b>
<b>Total Intangible assets</b>	<b>72,715</b>	<b>19,465</b>
<b>Movements in carrying amounts</b>		
<b>Franchise fee</b>		
Balance at the beginning of the reporting period	4,585	26,585
Additions	68,713	-
Amortisation expense	(15,463)	(22,000)
<b>Balance at the end of the reporting period</b>	<b>57,835</b>	<b>4,585</b>
<b>Goodwill</b>		
Balance at the beginning of the reporting period	14,880	14,880
<b>Balance at the end of the reporting period</b>	<b>14,880</b>	<b>14,880</b>

## Note 10. Trade and other payables

<b>Current</b>		
Secured liabilities:		
Trade payables	782	930
Other creditors and accruals	46,894	24,282
	<b>47,676</b>	<b>25,212</b>

## Notes to the financial statements (continued)

	2015 \$	2014 \$
Note 10. Trade and other payables (continued)		
<b>Non current</b>		
Other creditors and accruals	42,945	-
	<b>42,945</b>	-
<b>Total trade and other payables</b>	<b>90,621</b>	<b>25,212</b>

The average credit period on trade and other payables is one month.

### Note 11. Borrowings

Bank overdraft	176,779	113,653
	<b>176,779</b>	<b>113,653</b>

The company has an overdraft facility of \$250,000 which is subject to normal commercial terms and conditions.

### Note 12. Provisions

<b>Employee benefits</b>	<b>30,747</b>	<b>23,166</b>
<b>Movement in employee benefits</b>		
Opening balance	23,166	17,305
Additional provisions recognised	7,581	5,861
<b>Closing balance</b>	<b>30,747</b>	<b>23,166</b>
<b>Current</b>		
Annual leave	21,931	21,366
Long-service leave	3,477	1,800
<b>Total Current Provisions</b>	<b>25,408</b>	<b>23,166</b>
<b>Non current</b>		
Long-service leave	5,339	-
<b>Total Non current Provisions</b>	<b>5,339</b>	-
<b>Total provisions</b>	<b>30,747</b>	<b>23,166</b>



# Notes to the financial statements (continued)

## Note 12. Provisions (continued)

### 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.

	2015 \$	2014 \$
<b>Note 13. Tax balances</b>		
(a) Tax assets		
Current		
Income tax receivable	-	-
	-	-
Non-current		
Deferred tax asset comprises:		
- tax losses carried forward	250,849	230,984
	<b>250,849</b>	<b>230,984</b>

## Note 14. Share capital

764,961 Ordinary shares fully paid	764,961	764,961
Less: Equity raising costs	(16,485)	(16,485)
	<b>748,476</b>	<b>748,476</b>

### Movements in share capital

Fully paid ordinary shares:		
At the beginning of the reporting period	764,961	764,961
Shares issued during the year	-	-
<b>At the end of the reporting period</b>	<b>764,961</b>	<b>764,961</b>

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.

# Notes to the financial statements (continued)

## Note 14. Share capital (continued)

### 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 company 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 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.

	2015 \$	2014 \$
<b>Note 15. Accumulated losses</b>		
Balance at the beginning of the reporting period	(497,475)	(402,129)
Profit/(loss) after income tax	(76,646)	(95,346)
<b>Balance at the end of the reporting period</b>	<b>(574,121)</b>	<b>(497,475)</b>

## Note 16. Cash flow

**(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**

As per the statement of financial position	67	163
less Bank overdraft	(176,779)	(113,653)
<b>As per the statement of cash flow</b>	<b>(176,712)</b>	<b>(113,490)</b>

## Notes to the financial statements (continued)

	2015 \$	2014 \$
Note 16. Cash flow (continued)		
<b>(b) Reconciliation of cash flow from operations with profit after income tax</b>		
Profit / (loss) after income tax	(76,646)	(95,346)
Non cash flows in profit		
- Depreciation	17,237	16,903
- Amortisation	15,463	22,000
Changes in assets and liabilities		
- (Increase) decrease in receivables	(496)	(9,214)
- (Increase) decrease in deferred tax asset	(19,865)	(28,608)
- Increase (decrease) in payables	8,149	(5,106)
- Increase (decrease) in provisions	7,581	5,861
<b>Net cash flows from/(used in) operating activities</b>	<b>(48,577)</b>	<b>(93,510)</b>

### (c) Credit standby arrangement and loan facilities

The company has a bank overdraft and commercial bill facility amounting to \$250,000 (2014: \$150,000). This may be terminated at any time at the option of the bank. At 30 June 2015, \$176,779 of this facility was used (2014: \$113,171). Variable interest rates apply to these overdraft and bill facilities.

## Note 17. 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.

The Beaconsfield District Community Financial Services Limited has accepted the Bendigo and Adelaide Bank Limited's **Community Bank**<sup>®</sup> Directors Privileges package. The package is available to all Directors who can elect to avail themselves of the benefits based on their personal banking with the branch. There is no requirement to own Bendigo and Adelaide Bank Limited shares and there is no qualification period to qualify to utilise the benefits.

# Notes to the financial statements (continued)

## Note 17. Related party transactions (continued)

### (c) Transactions with key management personnel and related parties (continued)

The package mirrors the benefits currently available to Bendigo and Adelaide Bank Limited shareholders. The Directors have estimated the total benefits received from the Directors Privilege Package to be \$NIL for the year ended 30 June 2015.

### (d) Key management personnel shareholdings

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

	2015	2014
Graeme James Taylor	10,001	10,001
John Edward French	5,001	5,001
Carol Anne Porter	5,001	5,001
Rohan James Treasure	20,501	20,001
Bruce Ian Shaw	5,000	5,000
Gregory James Tomamichel	7,000	7,000
Gerald James Treasure	11,501	11,501
Maurice Lisle Potter	1,501	1,501
George William Nicholson (Resigned 27th August 2014)	-	-

During the financial year Rohan James Treasure purchased an additional 500 Shares. 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 18. 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 19. Contingent liabilities and contingent assets

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

## Note 20. 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 Beaconsfield, Victoria. The company has a franchise agreement in place with Bendigo and Adelaide Bank Limited who account for 100% of the revenue (2014: 100%).

## Notes to the financial statements (continued)

	2015 \$	2014 \$
<b>Note 21. Leases</b>		
Operating lease commitments		
Non-cancellable operating leases contracted for but not capitalised in the Statement of Financial Position		
Payable - minimum lease payments		
- no later than 12 months	40,115	8,098
- between 12 months and 5 years	128,704	-
- greater than 5 years	-	-
	<b>168,819</b>	<b>8,098</b>

The property lease is a non-cancellable lease with a 5 year term, with rent payable monthly in advance and with CPI increases each year.

## Note 22. Company details

The registered office and principal place of business is: Shop 6, 52-62 Old Princes Highway,  
Beaconsfield Victoria 3807

	2015 \$	2014 \$
<b>Note 23. Earnings per share</b>		
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. There were no options or preference shares on issue during the year.	(10.02)	(12.46)
The following reflects the income and share data used in the basic and diluted earnings per share computations:		
<b>Profit/(loss) after income tax expense</b>	<b>(76,646)</b>	<b>(95,346)</b>
<b>Weighted average number of ordinary shares and diluted earnings per share</b>	<b>764,961</b>	<b>764,961</b>

## Note 24. Dividends paid or provided for on ordinary shares

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

# Notes to the financial statements (continued)

## Note 25. Financial risk management

The company's financial instruments consist mainly of deposits with banks, short-term investments, account receivables and payables, bank overdraft and loans. The totals for each category of financial instruments measured in accordance with AASB 139 Financial Instruments: Recognition and Measurement as detailed in the accounting policies are as follows:

	Note	2015 \$	2014 \$
<b>Financial assets</b>			
Cash and cash equivalents	6	67	163
Trade and other receivables	7	46,885	46,390
<b>Total financial assets</b>		<b>46,952</b>	<b>46,553</b>
<b>Financial liabilities</b>			
Trade and other payables	10	90,621	25,212
Bank overdraft	11	176,779	113,653
<b>Total financial liabilities</b>		<b>267,400</b>	<b>138,865</b>

### Financial risk management policies

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

### Specific financial risk exposure and management

The main risks the company is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk and other price risk. There have been no substantial 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**

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the company.

Credit risk is managed through maintaining procedures ensuring, to the extent possible, that clients and counterparties to transactions are of sound credit worthiness. 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.

#### Credit risk exposures

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 has no significant concentrations of credit risk with Bendigo and Adelaide Bank Limited. The company's exposure to credit risk is limited to Australia by geographic area.

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

# Notes to the financial statements (continued)

## Note 25. 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 Limited and therefore credit risk is considered minimal.

	2015 \$	2014 \$
<b>Cash and cash equivalents:</b>		
A rated	67	163

### (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 \$250,000 with Bendigo and Adelaide Bank Limited.

The table below reflects an undiscounted contractual maturity analysis for financial liabilities. Bank overdrafts have been deducted in the analysis as management does not consider there is any material risk the bank will terminate such facilities. The Bank does however maintain the right to terminate the facilities without notice and therefore the balances of overdrafts outstanding at year end could become repayable within 12 months.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward.

Financial liability and financial asset maturity analysis:

30 June 2015	Note	Total \$	Within 1 year \$	1 to 5 years \$	Over 5 years \$
<b>Financial liabilities due for payment</b>					
Trade and other payables	10	90,621	47,676	42,945	-
Bank overdraft	11	176,779 *	176,779	-	-
<b>Total expected outflows</b>		<b>267,400</b>	<b>224,455</b>	<b>42,945</b>	-



## Notes to the financial statements (continued)

### Note 25. Financial risk management (continued)

#### (b) Liquidity risk (continued)

30 June 2015	Note	Total \$	Within 1 year \$	1 to 5 years \$	Over 5 years \$
<b>Financial assets - cash flows realisable</b>					
Cash & cash equivalents	6	67	67	-	-
Trade and other receivables	7	46,885	46,885	-	-
<b>Total anticipated inflows</b>		<b>46,952</b>	<b>46,952</b>	-	-
<b>Net (outflow)inflow on financial instruments</b>		<b>(220,448) -</b>	<b>(177,503)</b>	<b>(42,945)</b>	-

30 June 2014	Note	Total \$	Within 1 year \$	1 to 5 years \$	Over 5 years \$
<b>Financial liabilities due for payment</b>					
Trade and other payables	10	25,212	25,212	-	-
Bank overdraft	11	113,653 *	113,653	-	-
<b>Total expected outflows</b>		<b>138,865</b>	<b>138,865</b>	-	-
<b>Financial assets - cash flows realisable</b>					
Cash & cash equivalents	6	163	163	-	-
Trade and other receivables	7	46,390	46,390	-	-
<b>Total anticipated inflows</b>		<b>46,553</b>	<b>46,553</b>	-	-
<b>Net (outflow)/inflow on financial instruments</b>		<b>(92,312) -</b>	<b>(92,312)</b>	-	-

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

#### (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.

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

# Notes to the financial statements (continued)

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## Note 25. Financial risk management (continued)

### (c) Market risk (continued)

The financial instruments that primarily expose the company to interest rate risk are borrowings, fixed interest securities, and cash and cash equivalents.

#### 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.

	<b>Profit \$</b>	<b>Equity \$</b>
<b>Year ended 30 June 2015</b>		
'+/- 1% in interest rates (interest expense)	(1,767)	(1,767)
	<b>(1,767)</b>	<b>(1,767)</b>
<b>Year ended 30 June 2014</b>		
'+/- 1% in interest rates (interest expense)	(1,135)	(1,135)
	<b>(1,135)</b>	<b>(1,135)</b>

There have been no changes in any of the methods or assumptions used to prepare the above sensitivity analysis from the prior year.

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

- Fair value estimation

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 arms length transaction. The company does not have any unrecognised financial instruments at year end.

# Directors' declaration

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

1. the financial statements and notes, as set out on pages 14 to 40 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 2015 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.



**Graeme James Taylor**  
**Director**

Signed at Beaconsfield on 23 September 2015.

# Independent audit report

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## ***INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BEACONSFIELD DISTRICT COMMUNITY FINANCIAL SERVICES LIMITED***

### **Report on the Financial Report**

We have audited the accompanying financial report of Beaconsfield District Community Financial Services Limited, which comprises the statement of financial position as at 30 June 2015, 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 entity comprising the company and the entities it controlled 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.

# Independent audit report (continued)

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## *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 Beaconsfield District 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 Beaconsfield District Community Financial Services Limited is in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards (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 modifying our opinion, we draw attention to Note 1 in the financial report, which indicates that the company incurred a net loss of \$76,646 during the year ended 30 June 2015, further reducing the company's net assets to \$174,355. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt over the company's ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business.

**RICHMOND SINNOTT & DELAHUNTY**  
Chartered Accountants



**KATHIE TEASDALE**  
Partner  
Dated at Bendigo, 23 September 2015

Beaconsfield District **Community Bank**<sup>®</sup> Branch  
Shop 6, 52-62 Old Princes Highway,  
Beaconsfield VIC 3807  
Phone: (03) 9769 5122

Franchisee:  
Beaconsfield District Community Financial Services Ltd  
PO Box 249, Beaconsfield VIC 3807  
Phone: (03) 9769 5122  
ABN: 18 134 858 889

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