



# Annual Report 2015

Bellarine Peninsula  
Community Branch Limited

ABN 33 089 107 657

Portarlington **Community Bank**<sup>®</sup> Branch  
Drysdale **Community Bank**<sup>®</sup> Branch

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Cover Photographer: Mason Durran.

# Chairman's report

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For year ending 30 June 2015



Russell Enders

I am pleased to present the Chairman's report for the 16th Bellarine Peninsula Community Branch Limited Annual Report.

We presently have (at the end of July) total footings of \$247 million, an increase of \$18 million. The growth attained over the past year, given the tight trading conditions, is to be commended.

Part of this increase reflects that in our communities we are much more than a bank, we are an active part of the community. We not only provide a full range of banking services that cover personal and business requirements, we also strongly support the community in a meaningful way with programs by providing grants and sponsorships that have a real impact within our communities. As government support for communities continues to become more difficult to attain, these programs take on a greater relevance within the community.

Despite the increased business levels, profitability continues to be challenging. A fall this year reflects the financial environment we are presently operating in. The continuing low interest rates and subsequent low margins on loans and deposits combined with a competitive market are the main items impacting on the trading profit.

Another factor is the continual changing of technologies in relation to information distribution and processing systems. These factors are a continual challenge for us and we continually seek the most effective processes to manage these.

Bellarine Peninsula Community Branch Limited employs 14 staff. As well as providing excellent service, most also live locally and in turn spend money locally which also assists the community.

I would like to thank and welcome our new Manager Mark O'Dowd. Mark has settled in well and is enjoying the role, along with our existing Manager Craig Taylor and the respective teams they continue to provide a high level of service. Their dedication and professionalism is both respected and appreciated.

I would like to thank the Board including Vice-Chair Paul Jones, Secretary Sandra Baldwin, Treasurer Stephen Wight, Janina Randone, Pam Evans, Kerry Trewin, Justine Finlay, Geoff Webster and our Board Support Officer Robyn Durran. All Directors give their time and expertise on a volunteer basis and provide an essential function to enable us to operate.

I would also like to thank the support staff from Bendigo and Adelaide Bank Limited, they continue to provide a valuable resource to our business.

A big thank you to our shareholders. Without your ongoing support we would not exist and continue to be able to support the communities we operate in.

The Portarlington **Community Bank**<sup>®</sup> Branch and the Drysdale **Community Bank**<sup>®</sup> Branch are much more than just a bank. With ongoing support from our communities we will continue to assist building a better community for all of us to live.

A handwritten signature in black ink, appearing to be 'R. Enders', written in a cursive style.

**Russell Enders**  
**Chairman**

# Senior Manager's report

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For year ending 30 June 2015



Mark O'Dowd

I am pleased to present my first and the company's 16th Annual Report.

The Bellarine Peninsula Community Branch Limited business continues its growth trajectory, 'our **Community Bank**<sup>®</sup> branches believe successful customers and successful communities create a successful bank'. As we work to provide banking products and services for our customers, we consider the bigger picture. We think about what we can do beyond banking to help our customers and strengthen the communities they live in.

We are approaching a significant milestone for our business nearing total business of \$250 million. This milestone makes it clear that we indeed have successful customers in growing and successful communities to whom we provide products and services to meet their personal and business goals. This has enabled your **Community Bank**<sup>®</sup> branch to play a part in further strengthening of the communities we live in through continued community contributions by way of both sponsorships and grants.

By no means can we sit back and rest on our laurels. It is however, important to acknowledge the contribution of so many to our ongoing success. None more so than our staff who quite obviously without, we couldn't do what we do, either on a day-to-day basis or from a community involvement perspective. Our shareholders, who also without we would not exist, they continue to be the cornerstone of our communities investment into the **Community Bank**<sup>®</sup> model which continues to be seen to provide banking services to towns where the major banks continue to close their doors. To our Board who, on a volunteer basis, expend their energy in the pursuit of funding projects and events that make a difference to their respective communities, the Mussel Festival and the National Celtic Festival come readily to mind. Total contributions to the community since we opened 16 years ago now exceed \$1.2 million. Importantly, to our customers who enable us to make a difference in their communities.

I mentioned in our June Newsletter the ongoing challenge and opportunity that sits before us is to continually increase exposure and understanding of how the **Community Bank**<sup>®</sup> model works and how it therefore benefits our broader community. We all need to play a part in this ongoing promotion, to assist in the sustainability of our community.

Total business of \$246.422 million to 30 June 2015 with the split between the two **Community Bank**<sup>®</sup> branches as follows:

- Portarlington \$119.270 million, (deposits \$86.898 million, lending \$32.372 million)
- Drysdale \$127.152 million (deposits \$68.811 million, lending \$58.341 million).

We have a split between our deposits of 63% and our lending of 37%. From an income perspective this will continue to provide challenges, however with a continued focus on increasing products per customer, and their usage, the levels of non-interest income should also be on the rise.

Our Portarlington and Drysdale **Community Bank**<sup>®</sup> branches provide a full portfolio of business and consumer banking products and services and remember, banking with us benefits your community.



**Mark O'Dowd**  
**Senior Manager**

# Drysdale Manager's report

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For year ending 30 June 2015



Craig Taylor

I am pleased to report that as at the 30 June 2015 the Drysdale **Community Bank**<sup>®</sup> Branch has nearly 5,000 accounts.

On the financial side, I am also very pleased to report that the Drysdale **Community Bank**<sup>®</sup> Branch achieved actual annual growth of \$13.587 million and we still continue to grow. Our branch footings as at the 30 June 2015 totals \$127.152 million, which was made up by deposits of \$68.811 million and lending of \$58.341 million, still maintaining our good mix of business.

The positive result in the 2014/15 financial year has been achieved in a challenging and extremely competitive marketplace. These challenges will continue in 2015/16 with the cash rate at a 30-year low and aggressive competitors; including third party lenders.

With regard to our competitors in Drysdale, we saw the closure of the Westpac Bank agency in April as well as the ANZ Bank branch reducing its operating hours which gave us good opportunity to talk to their customers.

My thanks go to our customers. Without their banking business, this branch would not generate the profits that continues to be put back into the local community to support our clubs, not for profit organisations and the many events in the area. The community focus of the branch and the positive benefit it brings to the local community is surely evident. Some of the events that we continue to sponsor are:

- Festival of Glass – Business Association
- Easter Art Show – Rotary Club of Drysdale
- Easter Egg hunt & Xmas gift giving – Lions Club of Clifton Springs/Curlewis
- Youth
  - Art Mentorship
  - Youth Summit

We were also involved with some new programs: “Kids that Matter” in conjunction with Drysdale Primary School, and St. Leonard’s Kidsfest in conjunction with St. Leonards Primary School.

Spreading the word still remains a key phrase. Our existing customers have been instrumental in referring new business to our branch, and it is gratifying to see the confidence of our customers in helping to create our successful branch.

I would personally like to commend the Drysdale **Community Bank**<sup>®</sup> Branch staff Rowena, Wendy, Tonia, Liz, Heather, Yvonne, Bea and the recently retired Mandy for their work and results over the past 12 months. I thank them for their continued work ethic, professionalism and commitment to the service of our customers and the community. I would like to welcome Steve Glass to our staff as Mandy’s replacement and wish him all the best in his position.

To our shareholders, I thank you for your support. Please consider if you are not currently banking with either the Portarlinton or Drysdale **Community Bank**<sup>®</sup> branches, please visit either branch, or speak to either Mark, myself or one of our personable staff about all your financial service/banking needs.

## Drysdale Manager's report (continued)

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Once again I ask that you all continue to play your part in the growth of our branch by spreading the word about the very personal and professional banking service provided by your **Community Bank**<sup>®</sup> branch. As our business grows, so will our community support.

Together we are building a stronger community.

The Drysdale **Community Bank**<sup>®</sup> Branch is **Bigger than a bank.**



**Craig Taylor,**  
**Branch Manager**

# Directors' report

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For the financial year ended 30 June 2015

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

## Directors

The following persons held office as Directors at any time during or since the end of the financial year:

Russell Enders	Paul Jones
Stephen Wight	Geoffrey Webster
Sandra Baldwin	Janina Randone
Pam Evans	Kerry Trewin
Justine Finlay	

## Company Secretary

The Company Secretary is Sandra Baldwin.

## Principle activities and significant changes in nature of activities

The principle activities of the company during the course of the financial year were facilitating the **Community Bank**<sup>®</sup> services under management rights to operate two franchised branches of Bendigo and Adelaide Bank Limited.

There were no significant changes in the nature of principal activities during the financial year.

## Operating result and review of operations

The net result of the company for the year after providing for income tax was a profit of \$48,043 (2014: \$91,081). There was no significant change in operations during the period with the asset base of both branches continuing to grow and thereby improving profitability.

## Financial position

The company's net assets have reduced to \$1,046,143 at the end of the financial year compared to \$110,000 for the previous year. The company's current asset ratio is 5, indicating a sound financial position.

## Significant changes in state of affairs

There were no significant changes in the company's state of affairs during the year.

## Dividends

Dividends paid or declared for payment during the financial year are as follows:

- Ordinary dividend of \$0.07 cents per share paid on 5 December 2014.

## Matters subsequent to the end of the financial year

At the date of this report no matter or circumstance has arisen since the end of the financial year that has significantly affected or may significantly affect the operations of the company; the results of those operations; or the state of affairs of the company in future years.

# Directors' report (continued)

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## **Future development**

The Directors are not aware of any specific development likely to have a significant effect on the operations of the company or the expected results of those operations.

## **Environmental regulations**

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

## **Director and Auditor indemnification**

The company has indemnified all Directors and Auditors in respect of liabilities to other persons (other than the company or related body corporate) that may arise from their position as Directors of the company except where the liability arises out of conduct involving lack of good faith.

Disclosure of the nature of the liability and the amount of the premium is prohibited by the confidentiality clause of the contract of insurance.

## **Share options**

No options to shares in the company have been granted during the financial year and there were no options outstanding at the date of this report.

## **Proceedings**

No person had applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

## **Remuneration report**

The Board is responsible for the determination of remuneration packages and policies applicable to the Manager of each branch and all the staff. The Managers are invited to the Board meeting as required to discuss performance and remuneration packages.

The Managers are paid a base salary, which is between \$70,000 and \$85,000 plus superannuation. In addition each Manager receives a bonus if the company exceeds the performance criteria established by the Board.

No Directors' remuneration has been paid as the positions are held on a voluntary basis.

Sandra Baldwin received payment for services performed in a role as 'Executive Officer' including, but not limited to, community and public relations, corporate affairs administration, accounts liaison and other company Secretarial duties. During the 2015 financial year Sandra was paid \$9,952.

The Bellarine Peninsula Community Branch Limited has accepted the **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 Bellarine Peninsula Community Branch Limited. There is no requirement to own BEN 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.



# Directors' report (continued)

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Board of Directors

## Information on Directors

The Director responsible in office at the date of this report together with their qualifications, experience, special responsibilities and shareholdings are:

### **Russell Enders**

Managerial and Marketing  
Extensive Banking experience  
Ocean Grove resident  
Shares Held: Nil

### **Stephen J. Wight**

Chartered Accountant  
Registered Company Auditor  
Involvement in public and not for profit organisations  
Geelong resident  
Shares Held: Nil

### **Sandra Baldwin**

Company Secretary  
Member of the Steering committee of the Drysdale  
**Community Bank**<sup>®</sup> Branch  
Previous Business Owner in local area  
Clifton Springs resident  
Shares Held: 500

### **Paul Jones**

Trade Teacher  
Involved in community organisations  
Member of the Steering committee of the Drysdale  
**Community Bank**<sup>®</sup> Branch  
Drysdale resident  
Shares Held: 2,500

### **Geoffrey Webster**

Salesman  
Member of the Steering committee of the Drysdale  
**Community Bank**<sup>®</sup> Branch  
Drysdale resident  
Shares Held: 1,000

### **Janina Randone**

Self funded retiree and farmer  
Involved in community organisations.  
Member of the Steering committee of the Drysdale  
**Community Bank**<sup>®</sup> Branch  
Drysdale resident  
Shares Held: 2,000

### **Pam Evans**

Portarlington Resident  
Board Member  
50 years service to Portarlington Girl Guides  
Shares Held – Nil

### **Kerry Trewin**

Practice Manager  
Involved in community organisations  
Portarlington Resident  
Shares Held – Nil

# Directors' report (continued)

## Information on Directors (continued)

### Justine Finlay

Solicitor and notary public

Board member of Vicwest Community Enterprise Ltd

Involved in local not for profit and sporting organisations

Ocean Grove Resident

## Meeting attendance July 2014 to June 2015

2014/15	28 July 2014	25 August 2014	24 September 2014	27 October 2014	24 November 2014	2 February 2015	23 February 2015	23 March 2015	4 May 2015	25 May 2015	22 June 2015
Director											
Russell Enders	P	A	P	P	P	P	A	P	A	P	P
Paul Jones	L	L	P	P	P	P	P	A	A	A	P
Stephen Wight	P	P	A	P	P	P	P	P	P	P	A
Sandra Baldwin	P	P	P	P	P	P	P	A	P	L	P
Geoff Webster	P	P	A	P	P	P	P	P	P	P	P
Pam Evans	P	P	P	P	P	P	P	P	P	A	P
Janina Randone	P	P	A	P	P	P	P	P	P	P	P
Kerry Trewin	P	P	P	P	P	P	P	A	P	P	A
Justine Finlay	P	P	P	A	P	P	P	P	P	P	P

Key to Symbols: P Present  
A Apology  
L Leave

## Auditor's Independence Declaration

A copy of the Auditor's independence declaration as required under section 307C of the Corporations Act 2001 is attached.

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



**Stephen Wight**  
Director

# Auditor's independence declaration

**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF  
BELLARINE PENINSULA COMMUNITY BRANCH LTD**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2015 there have been:

- (i) no contraventions of the auditor's independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

**LBW CHARTERED ACCOUNTANTS**



**Peter Landers**

Principal

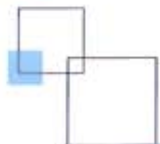
Dated this

17<sup>th</sup>

day of

August

2015



**LBW**  
Chartered Accountants

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# Financial statements

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

	Notes	2015 \$	2014 \$
<b>Revenue from ordinary activities</b>			
Revenue	2	1,540,017	1,579,229
<b>Expenses from ordinary activities</b>			
Employee benefits		888,247	837,298
Information technology expenses		78,062	88,754
Depreciation and amortisation	3	49,056	42,462
Property expenses		109,431	118,327
Donations and sponsorship		83,399	105,618
Professional fees		42,260	40,530
Insurance		22,642	22,341
Administration expenses		176,989	142,829
Other expenses from ordinary activities		30,075	28,783
<b>Total expenses from ordinary activities</b>		<b>1,480,161</b>	<b>1,426,942</b>
<b>Net result before income tax</b>		<b>59,856</b>	<b>152,287</b>
Income tax expense	4	11,813	61,206
<b>Net result after income tax</b>		<b>48,043</b>	<b>91,081</b>
<b>Total comprehensive result for the year</b>		<b>48,043</b>	<b>91,081</b>
<b>Earnings per share (cents per share)</b>			
Basic earnings per share	23	0.030	0.057
Diluted earnings per share	23	0.030	0.057

This statement should be read in conjunction with the accompanying notes.

# 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	5	474,639	512,701
Receivables	6	92,805	116,137
<b>Total current assets</b>		<b>567,444</b>	<b>628,838</b>
<b>Non-current assets</b>			
Other financial assets	7	19,200	19,200
Deferred tax assets	8	35,651	39,597
Property, plant, equipment	9	343,658	362,987
Intangible assets	10	202,934	230,344
<b>Total non-current assets</b>		<b>601,443</b>	<b>652,128</b>
<b>Total assets</b>		<b>1,168,887</b>	<b>1,280,966</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Payables	11	75,959	55,630
Short-term provisions	12	69,696	110,485
Current tax liabilities	13	(32,189)	(11,812)
<b>Total current liabilities</b>		<b>113,466</b>	<b>154,303</b>
<b>Non-current liabilities</b>			
Long-term provisions	12	9,278	16,663
<b>Total non-current liabilities</b>		<b>9,278</b>	<b>16,663</b>
<b>Total liabilities</b>		<b>122,744</b>	<b>170,966</b>
<b>Net assets</b>		<b>1,046,143</b>	<b>1,110,000</b>
<b>Equity</b>			
Issued capital	14	787,911	787,911
Financial assets reserve		(20,800)	(20,800)
Retained earnings		279,032	342,889
<b>Total equity</b>		<b>1,046,143</b>	<b>1,110,000</b>

This statement should be read in conjunction with the accompanying notes.

# Financial statements (continued)

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

	Note	Issued capital \$	Financial assets reserve \$	Retained earnings \$	Total \$
<b>Balance at 1 July 2013</b>		<b>787,911</b>	<b>(20,800)</b>	<b>379,694</b>	<b>1,146,805</b>
<b>Comprehensive income</b>					
Net result for the year		-	-	91,081	91,081
Other comprehensive income for the year		-	-	-	-
<b>Transactions with owners in their capacity as owners</b>					
Dividends recognised for the year	24	-	-	(127,886)	(127,886)
<b>Balance at 30 June 2014</b>		<b>787,911</b>	<b>(20,800)</b>	<b>342,889</b>	<b>1,110,000</b>
<b>Comprehensive income</b>					
Net result for the year		-	-	48,043	48,043
Other comprehensive income for the year		-	-	-	-
<b>Transactions with owners in their capacity as owners</b>					
Dividends recognised for the year	24	-	-	(111,900)	(111,900)
<b>Balance at 30 June 2015</b>		<b>787,911</b>	<b>(20,800)</b>	<b>279,032</b>	<b>1,046,143</b>

This statement should be read in conjunction with the accompanying notes.

# Financial statements (continued)

## Cash Flow Statement for the year ended 30 June 2015

	Note	2015 \$	2014 \$
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Receipts from customers		1,552,684	1,570,751
Interest		10,665	16,220
<b>Payments</b>			
Employee benefits		(917,563)	(815,551)
Income tax paid		(28,244)	(30,372)
Other		(541,386)	(544,600)
<b>Net cash inflows from operating activities</b>	<b>15</b>	<b>76,156</b>	<b>196,448</b>
<b>Cash flows from investing activities</b>			
Purchase of plant & equipment		(2,318)	(9,652)
Proceeds from sale of plant & equipment		-	-
Purchase of intangible assets		-	(137,426)
<b>Net cash inflows/(outflows) from investing activities</b>		<b>(2,318)</b>	<b>(147,078)</b>
<b>Cash flows from financing activities</b>			
Dividends paid	24	(111,900)	(127,886)
<b>Net cash inflows/(outflows) from financing activities</b>		<b>(111,900)</b>	<b>(127,886)</b>
<b>Net increase/(decrease) in cash held</b>		<b>(38,062)</b>	<b>(78,516)</b>
<b>Cash at 1 July</b>		<b>512,701</b>	<b>591,217</b>
<b>Cash at 30 June</b>	<b>5</b>	<b>474,639</b>	<b>512,701</b>

This statement should be read in conjunction with the accompanying notes.

# Notes to the financial statements

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For year ended 30 June 2015

## Note 1. Statement of significant accounting policies

### **Basis of preparation**

Bellarine Peninsula Community Branch Limited ('the company') is domiciled in Australia. The financial statements for the year ending 30 June 2015 are presented in Australian dollars. The company was incorporated in Australia and the principal operations involve providing **Community Bank**<sup>®</sup> services.

The financial statements 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.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy; described as follows, based on the lowest level of input that is significant to the fair value measurement as a whole, in accordance with AASB 13 Fair Value Measurement applicable from 1 January 2013:

Level 1 - quoted market prices in active markets for identical assets or liabilities

Level 2 - valuation techniques for which the lowest level input that is significant to the fair value measurement is either directly or indirectly observable

Level 3 - valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

No material adjustments to the carrying amounts of any of the company's assets or liabilities were required as a consequence of applying AASB 13. However, AASB 13 required enhanced disclosures for both assets and liabilities measured at fair value which are disclosed in the notes to the financial statements.

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

The financial statements were authorised for issue by the Directors on the 15 August, 2015.

### **Statement of compliance**

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

### **Significant accounting policies**

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

#### **(a) Rounding**

All amounts shown in the Financial Statements are expressed to the nearest dollar.



# Notes to the financial statements (continued)

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

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

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### **(c) Receivables**

Trade debtors are carried at nominal amounts due and are due for settlement within 30 days from the date of recognition. Collectability of debts is reviewed on an ongoing basis. The Directors believe that the full amount of debt is recoverable, and no doubtful debt provision have been made at 30 June 2015.

Receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest rate method, less any accumulated impairment.

### **(d) Other financial assets**

Other financial assets are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs.

The company classifies its other financial assets between current and non-current assets based on the purpose for which the assets were acquired at initial recognition.

The company assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

#### Financial assets at fair value through profit or loss

Financial assets held for trading purposes are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset. Fair value is determined in the manner described in Note 16.

#### Loans and receivables

Trade receivables, loans and other receivables are recorded at amortised cost, using the effective interest method, less impairment.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

#### Held-to-maturity investments

Where the company has the positive intent and ability to hold investments to maturity, they are stated at amortised cost less impairment losses.

#### Available-for-sale financial assets

Other financial assets held by the company are classified as being available-for-sale and are stated at fair value. Gains and losses arising from changes in fair value are recognised directly in equity until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in profit or loss for the period. Fair value is determined in the manner described in Note 16.

# Notes to the financial statements (continued)

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

### (e) Plant and equipment

Plant and equipment are brought to account at cost or at independent or Directors' valuation less, where applicable, any accumulated depreciation or amortisation.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets.

The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets' employment and subsequent disposal.

The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

The depreciable amount of all fixed assets is depreciated over their useful lives commencing from the time the asset is held ready for use.

A summary of the depreciation method and depreciation rates for each class of attached is as follows.

<b>Class of asset</b>	<b>2015</b>	<b>2014</b>
Furniture & fittings	10 - 25%	10 - 25%
Plant & equipment	10 - 25%	10 - 25%
Leasehold improvements	10 - 25%	10 - 25%
Motor vehicles	23%	23%

### (f) Impairment of assets

Intangible assets with indefinite useful lives (and intangible assets not yet available for use) are tested annually for impairment (i.e. as to whether their carrying value exceeds their recoverable amount, and so require write-downs) and whenever there is an indication that the asset may be impaired. All other assets are assessed annually for indications of impairment, except for:

- financial instrument assets;
- investment property that is measured at fair value; and
- non-current assets held for sale.

If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written-off by a charge to the operating statement except to the extent that the write-down can be debited to an asset revaluation reserve amount applicable to that class of asset.

It is deemed that, in the event of the loss of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made. The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell.

### (g) Goodwill

Goodwill is initially recorded at the amount by which the purchase price for a business combination exceeds the fair value attributed to the interest in the net fair value of identifiable assets, liabilities and contingent liabilities at date of acquisition. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses.

# Notes to the financial statements (continued)

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

### **(h) Payables**

These amounts consist predominantly of liabilities for goods and services. Payables are initially recognised at fair value, then subsequently carried at amortised cost and represent liabilities for goods and services provided to the company prior to the end of the financial year that are unpaid, and arise when the company becomes obliged to make future payments in respect of the purchase of these goods and services. The normal credit terms are usually Nett 30 days.

### **(i) Provisions**

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

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

### **(j) 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.

### **(k) Goods and Services Tax**

Revenues, expenses and assets are recognised net of GST except for receivables and payables which are stated with the amount of GST included and except where the amount of GST incurred is not recoverable, in which case GST is recognised as part of the cost of acquisition of an asset or part of an item of expense or revenue. GST receivable from and payable to the Australian Taxation Office (ATO) is included in the statement of financial position. The GST component of a receipt or payment is recognised on a gross basis in the cash flow statement except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

### **(l) Income tax**

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

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities are therefore measured at the amounts expected to be paid to 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.

Current and deferred income tax expense is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

# Notes to the financial statements (continued)

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

### **(l) Income tax (continued)**

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

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

### **(m) Leases**

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are classified as finance leases. Finance leases are capitalised, recording as asset value of the minimum lease payments, including any guaranteed residual values. Leased assets are amortised over their estimated useful lives where it is likely that the entity will obtain ownership of the asset or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred. Lease incentives under operating leases are recognised as a liability. Lease payments received reduce the liability.

### **(n) Employee benefits**

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

### **(o) Revenue recognition**

Revenue is recognised in accordance with AASB 118. Income is recognised as revenue to the extent it is earned. Unearned income at reporting date is reported as income received in advance.

### **(p) Comparative information**

Where necessary the previous year's figures have been reclassified to facilitate comparisons.

## Notes to the financial statements (continued)

	2015 \$	2014 \$
<b>Note 2. Revenue</b>		
<b>Revenue from continuing operations</b>		
Services revenue	1,526,813	1,554,263
Interest - other persons	11,964	15,993
Recoveries	1,240	8,973
<b>Total revenue from continuing operations</b>	<b>1,540,017</b>	<b>1,579,229</b>
<b>Note 2(a): Net gain/(loss) on disposal of non-financial assets</b>		
<b>Proceeds from disposals of non-current assets</b>		
Motor vehicles	-	-
<b>Less: written down value of non-current assets sold</b>		
Motor vehicles (refer note 9)	-	-
<b>Net gain/(loss) on disposal of non-financial assets</b>	<b>-</b>	<b>-</b>

## Note 3. Depreciation and amortisation

Depreciation of plant and equipment	21,646	22,381
Amortisation of intangibles	27,410	20,081
	<b>49,056</b>	<b>42,462</b>

## Note 4. Income tax expense

a) the components of tax expense comprise:

Current tax	7,700	58,217
Deferred tax	4,113	2,989
	<b>11,813</b>	<b>61,206</b>

b) the prima facie tax on profit from ordinary activities  
before income tax is reconciled to income tax as follows:

Prima facie tax payable on profit from ordinary activities before income tax at 30% (2014: 30%)	18,041	45,548
Add		
Tax effect of:		
Other non-allowable items	(6,228)	(240)
	<b>11,813</b>	<b>45,308</b>

## Notes to the financial statements (continued)

	2015 \$	2014 \$
Note 4. Income tax expense (continued)		
Less		
Tax effect of:		
Under provision of tax in prior years	-	15,898
	<b>11,813</b>	<b>61,206</b>
<b>Weighted average tax effective rate</b>	<b>19.74%</b>	<b>40.19%</b>

### Note 5. Cash and cash equivalents

Cash at bank	115,694	114,139
Short term deposits	358,945	398,562
	<b>474,639</b>	<b>512,701</b>

### Note 6. Receivables

#### Current

Franchise income receivable	90,018	114,649
Accrued investment income	2,787	1,488
<b>Total</b>	<b>92,805</b>	<b>116,137</b>

#### (a) Ageing of receivables

Please refer to note 16 (c) for the ageing analysis of receivables.

#### (b) Nature And extent of risk arising from receivables

Please refer to note 16 (c) for the nature and extent of credit risk arising from receivables.

### Note 7. Other financial assets

#### Non-current

Available-for-sale financial assets		
<b>Shares - unlisted public company</b>	<b>19,200</b>	<b>19,200</b>

#### (a) Ageing of other financial assets

Please refer to note 16 (c) for the ageing analysis of other financial assets.

#### (b) Nature and extent of risk arising from other financial assets

Please refer to note 16 (c) for the nature and extent of credit risk arising from other financial assets.

## Notes to the financial statements (continued)

	2015 \$	2014 \$
<b>Note 8. Deferred tax assets</b>		
<b>Deferred tax assets comprise:</b>		
Provisions	23,692	38,144
Other	11,959	1,453
	<b>35,651</b>	<b>39,597</b>

## Note 9. Property, plant and equipment

### (a) Gross carrying amount and accumulated depreciation

#### At cost

Furniture and fittings	41,515	39,197
Less accumulated depreciation	(35,701)	(33,030)
<b>Total furniture and fittings</b>	<b>5,814</b>	<b>6,167</b>
Leasehold improvements	441,484	441,484
Less accumulated amortisation	(103,640)	(84,664)
<b>Total leasehold improvements</b>	<b>337,844</b>	<b>356,820</b>
<b>Total property, plant &amp; equipment</b>	<b>343,658</b>	<b>362,987</b>

### (b) Reconciliations of the carrying amounts of each class of asset

	Leasehold improvements \$	Motor vehicles \$	Furniture and fittings \$	Total \$
<b>Balance at 1 July 2013</b>	<b>370,775</b>	-	<b>4,940</b>	<b>375,715</b>
Additions	5,842	-	3,810	9,652
Disposals at WDV	-	-	-	-
Depreciation expense	(19,797)	-	(2,583)	(22,380)
<b>Balance at 30 June 2014</b>	<b>356,820</b>	-	<b>6,167</b>	<b>362,987</b>
Additions	-	-	2,318	2,318
Disposals at WDV (refer Note 2(a))	-	-	-	-
Depreciation expense	(18,976)	-	(2,671)	(21,647)
<b>Balance at 30 June 2015</b>	<b>337,844</b>	-	<b>5,814</b>	<b>343,658</b>

# Notes to the financial statements (continued)

## Note 9. Property, plant and equipment (continued)

### (c) Fair value measurement hierarchy of assets as at 30 June 2015

	Carrying amount as at 30 June 2015	Fair value measurement at end of reporting period using:		
		Level 1 (i)	Level 2 (i)	Level 3 (i)
Furniture and fittings at fair value	5,814	-	5,814	-
Leasehold Improvements at fair value	337,844	-	337,844	-
	<b>343,658</b>	-	<b>343,658</b>	-

#### Note

(i) Classified in accordance with the fair value hierarchy, see Note 1

Furniture and fittings and leasehold improvements are held at carrying value (depreciated cost). When furniture and fittings and leasehold improvements are specialised in use, such that it is rarely sold other than as part of a going concern, the depreciated replacement cost is used to estimate the value. Unless there is market evidence that current replacement costs are significantly different from the original cost, it is considered unlikely that the depreciated replacement cost will be materially different from the existing carrying value.

There were no changes in valuation techniques throughout the period to 30 June 2015.

	2015 \$	2014 \$
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## Note 10. Intangible assets

### Non-current

Franchise licence fee	137,426	137,426
Less accumulated amortisation	(40,970)	(13,560)
	<b>96,456</b>	<b>123,866</b>
Goodwill - Drysdale Branch at cost	106,478	106,478
	<b>202,934</b>	<b>230,344</b>

## Note 11. Payables

### Current

#### Contractual

Payables - contractual	11,803	8,639
Accrued wages	32,576	17,053
Accrued expenses	6,700	4,840
	<b>51,079</b>	<b>30,532</b>



## Notes to the financial statements (continued)

	2015 \$	2014 \$
Note 11. Payables (continued)		
<b>Statutory</b>		
Gst payable	15,934	18,326
Payroll tax	8,946	6,772
	<b>24,880</b>	<b>25,098</b>
<b>Total payables</b>	<b>75,959</b>	<b>55,630</b>

## Note 12. Provisions

<b>Current</b>		
Long service leave	39,160	62,707
Annual leave	30,536	47,778
<b>Total</b>	<b>69,696</b>	<b>110,485</b>
<b>Non-current</b>		
<b>Long service leave</b>	<b>9,278</b>	<b>16,663</b>
<b>Total provisions</b>	<b>78,974</b>	<b>127,148</b>

## Note 13. Tax liabilities

<b>Current</b>		
<b>Income tax</b>	<b>(32,189)</b>	<b>(11,812)</b>

## Note 14. Issued capital

### (a) Ordinary shares

<b>1,598,571 (2014: 1,598,571) Ordinary shares fully paid</b>	<b>787,911</b>	<b>787,911</b>
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## Note 15. Reconciliation of net result for the year to net cash flows from operating activities

Result after income tax	48,043	91,081
Non-cash flows in profit		
Depreciation and amortisation	49,057	42,461
Changes in assets and liabilities		
Increase/(decrease) in provisions	(64,605)	36,815
Increase/(decrease) in payables	20,329	18,349
Decrease/(increase) in receivables	23,332	7,742
<b>Net cash from operating activities</b>	<b>76,156</b>	<b>196,448</b>

# Notes to the financial statements (continued)

## Note 16. Financial risk management

### (a) Financial risk management objectives and policies

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

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

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board has established an Audit and Governance committee which reports regularly to the Board.

The company's principal financial instruments comprise of:

- Cash assets
- Term deposits
- Receivables (excluding statutory receivables)
- Payables (excluding statutory payables).

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument are disclosed in Note 1 to the financial statements.

### (b) Categorisation of financial instruments

	Note	Category	Carrying amount	
			2015 \$	2014 \$
<b>Financial assets</b>				
Cash and cash equivalents	4	N/A	474,639	512,701
Receivables	5	Loans and receivables	92,805	116,137
Other financial assets	6	Available for sale of financial assets (at fair value)	19,200	19,200
<b>Financial liabilities</b>				
Payables	10	Financial liabilities measured at amortised cost	51,079	30,532

### (c) Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

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

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

# Notes to the financial statements (continued)

## Note 16. Financial risk management (continued)

### (c) Credit risk (continued)

The company's exposure to credit risk and effective weighted average interest rate by ageing periods is set out in the following table. For interest rates applicable to each class of asset refer to individual notes to the financial statements.

#### Interest rate exposure and ageing analysis of financial assets as at 30 June

	Weighted average interest rates %	Interest rate exposure				Not past due and not impaired \$
		Consolidating carrying amount \$	Fixed interest rate \$	Variable interest rate \$	Non interest bearing \$	
<b>2015</b>						
<b>Financial assets</b>						
Cash and cash equivalents	3.25	474,639	358,945	115,334	360	474,639
Receivables	0.00	92,805	-	-	92,805	92,805
Other financial assets	0.00	19,200	-	-	19,200	19,200
<b>Total financial assets</b>		<b>586,644</b>	<b>358,945</b>	<b>115,334</b>	<b>112,365</b>	<b>586,644</b>
<b>2014</b>						
<b>Financial assets</b>						
Cash and cash equivalents	3.25	512,701	398,562	113,779	360	512,701
Receivables	0.00	116,137	-	-	116,137	116,137
Other financial assets	0.00	19,200	-	-	19,200	19,200
<b>Total financial assets</b>		<b>648,038</b>	<b>398,562</b>	<b>113,779</b>	<b>135,697</b>	<b>648,038</b>

### (d) Liquidity risk

The company manages liquidity risk by monitoring forecast cash flows and ensuring that liquid assets are available.

# Notes to the financial statements (continued)

## Note 16. Financial risk management (continued)

### (d) Liquidity risk (continued)

The following table discloses the contractual maturity analysis for the company's financial liabilities.

	Weighted average interest rates %	Interest rate exposure					Maturity dates less than 1 month \$
		Consolidated carrying amount \$	Fixed interest rate \$	Variable interest rate \$	Non interest bearing \$	Statutory Cash Flows \$	
<b>2015</b>							
Trade creditors and accruals	0.00	51,079	-	-	51,079	51,079	51,079
<b>Total financial liabilities</b>		<b>51,079</b>	<b>-</b>	<b>-</b>	<b>51,079</b>	<b>51,079</b>	<b>51,079</b>
<b>2014</b>							
Trade creditors and accruals	0.00	30,532	-	-	30,532	30,532	30,532
<b>Total financial liabilities</b>		<b>30,532</b>	<b>-</b>	<b>-</b>	<b>30,532</b>	<b>30,532</b>	<b>30,532</b>

### (e) Market risk

#### Currency risk

The company has no exposure to foreign currency risk.

#### Interest rate risk

Exposure to interest rate risk might arise primarily through the company's interest bearing liabilities. The company currently has no interest bearing liabilities.

#### Other price risk

The company is exposed to insignificant other price risk

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, the company believes the following movements are 'reasonably possible' over the next 12 months (Base rates are sourced from the Reserve Bank of Australia)

- A parallel shift of +1% and -1% in market interest rates (AUD) from year-end rates of 4%;
- A parallel shift of +1% and -1% in inflation rate from year-end rates of 3%

# Notes to the financial statements (continued)

## Note 16. Financial risk management (continued)

### (e) Market risk (continued)

#### Other price risk (continued)

The following table discloses the impact on net operating result and equity for each category of financial instrument held by the company at year end if changes in the relevant risk occur:

	Carrying amount \$	Interest rate risk			
		-1%		+1%	
		Profit \$	Equity \$	Profit \$	Equity \$
<b>2015</b>					
<b>Financial assets</b>					
Cash and cash equivalents	474,639	(1,153)	(1,153)	1,153	1,153
Receivables	92,805	-	-	-	-
Other financial assets	19,200	-	-	-	-
<b>Financial liabilities</b>					
Trade creditors and accruals	51,079	-	-	-	-
<b>2014</b>					
<b>Financial assets</b>					
Cash and cash equivalents	512,701	(1,138)	(1,138)	1,138	1,138
Receivables	116,137	-	-	-	-
Other financial assets	19,200	-	-	-	-
<b>Financial liabilities</b>					
Trade creditors and accruals	30,532	-	-	-	-

### (f) Fair values

The fair values and net fair values of financial instrument assets and liabilities are determined as follows:

Level 1 - the fair value of financial instrument with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices;

Level 2 - the fair value is determined using inputs other than quoted prices that are observable for the financial asset or liability, either directly or indirectly; and

Level 3 - the fair value is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using unobservable market inputs.

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

# Notes to the financial statements (continued)

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## Note 16. Financial risk management (continued)

### **(g) 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.

The Distribution Limit is the greater of:

- (a) 20% of the profit or funds of the Franchisee otherwise available for distribution to shareholders in that 12 month period; and
- (b) subject to the availability of distributable profits, the Relevant Rate of Return multiplied by the average level of share capital of the Franchisee over that 12 month period.

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

## Note 17. Capital and leasing commitments

There are no known capital or leasing commitments for Bellarine Peninsula Community Branch Limited.

## Note 18. Segment reporting

### **Industry segments**

Bellarine Peninsula Community Branch Limited's only industry segment is the provision of branch banking services.

### **Geographical segment**

Bellarine Peninsula Community Branch Limited operates predominantly on the Bellarine Peninsula, Victoria. More than 90% revenue, net surplus from ordinary activities and segment assets relate to operations on the peninsula.

## Note 19. Director and related party disclosures

### **a) The names of Directors whom have held office during the financial year are:**

R Enders	SJ Baldwin
S Wight	PC Jones
P Evans	GD Webster
K Trewin	J Randone
J Finlay	

## Notes to the financial statements (continued)

	2015	2014
	\$	\$

Note 19. Director and related party disclosures (continued)

**b) Income paid or payable to all Directors**

-

**c) Transactions with Directors and/or related parties**

S. Wight is a Director of Davidsons Pty Ltd which provides accounting services to the company. The amount paid to Davidsons Pty Ltd for these services amounted to \$36,500 (2014 \$34,730).

The transactions were made on an arms-length basis and on normal terms and conditions.

The Bendigo Peninsula Community Branch Limited has accepted the **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 Bendigo Peninsula Community Branch Limited. There is no requirement to own BEN shares and there is no qualification period to qualify to utilize the benefits. The package mirrors the benefits currently available to Bendigo and Adelaide Bank Limited shareholders.

## Note 20. Contingent assets and contingent liabilities

There are no known contingent assets or contingent liabilities for the company.

## Note 21. Events occurring after reporting date

Since 30 June 2015 no matter or circumstance has arisen which had significantly affected or which may significantly affect the operations of the organisation or of a related entity

	2015	2014
	\$	\$

## Note 22. Auditors remuneration

Remuneration of the Auditor of the company for:

- Auditing or reviewing the financial report	5,760	5,800
	<b>5,760</b>	<b>5,800</b>

## Note 23. Earnings / (loss) per share

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

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

## Notes to the financial statements (continued)

	2015 \$	2014 \$
Note 23. Earnings / (loss) per share (continued)		
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>48,043</b>	<b>91,081</b>
<b>Weighted average number of ordinary shares for basic and diluted earnings per share</b>	<b>1,598,571</b>	<b>1,598,571</b>
a) Basic earnings per share (cents per share)	0.03	0.057
b) Diluted earnings per share (cents per share)	0.03	0.057

## Note 24. Dividends

### (a) Dividends paid during the year

Previous year proposed Franked dividends - 7 cents per share (2014: 8 cents per share)	111,900	127,886
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### (b) Dividends proposed and not recognised as a liability

No dividends have currently been proposed (2014: 0 cents per share)	-	-
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### (c) Franking credit balance

The amount of franking credits available for the subsequent financial year are:		
Franking account balance as at the end of the financial year	114,595	252,057
<b>Subsequent to year-end, the franking account would be reduced by the proposed dividend reflected per (b) as follows:</b>	<b>-</b>	<b>-</b>

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

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

## Note 25. Corporate information

Bellarine Peninsula Community Branch Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the National Stock Exchange of Australia (NSX).

The registered office is: 44 Newcombe Street  
Portarlington 3223

The principal places of business are:

Portarlington	44 Newcombe Street Portarlington 3223
Drysdale	1/13 Hancock Street Drysdale 3222



# Directors' declaration

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The Directors of the company declare that:

1. The financial statements of the company comprising the Income Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and notes to and forming part of the accounts
  - (a) give a true and fair view of the company's financial position as at 30 June 2015 and its performance and cash flows for the year ended on that date; and
  - (b) comply with the Corporations Act 2001, Accounting Standards and the Corporations Regulations 2001.
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 declaration is made in accordance with a resolution of the Board of Directors and is signed on behalf of the Directors by:



**Stephen Wight**  
**Director**

Dated this 15 August, 2015

# Independent audit report

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BELLARINE PENINSULA COMMUNITY BRANCH LIMITED

### Report on the financial report

We have audited the accompanying financial report of Bellarine Peninsula Community Branch Limited, which comprises the statement of financial position as at 30 June 2015, and the statement of profit or loss and other comprehensive income, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes.

### *Directors' responsibility for the financial report*

The directors of the company are responsible for the preparation of the financial report and have determined that the accounting policies described in Note 1 to the financial report are appropriate to meet the requirements of the *Corporations Act 2001* and are appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that 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. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the 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.



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# Independent audit report (continued)

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BELLARINE PENINSULA COMMUNITY BRANCH LIMITED

### 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*, provided to the directors of Bellarine Peninsula Community Branch Limited, would be in the same terms if provided to the directors as at the date of this auditor's report.

### Auditor's opinion

In our opinion:

- a. the financial report of Bellarine Peninsula Community Branch Limited, is in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the company's financial position as at 30 June 2015 and of their performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.
- b. The financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

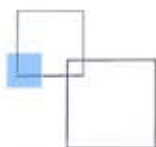
### LBW Chartered Accountants



Peter Landers

Principal

Dated this 17<sup>th</sup> day of August 2015



**LBW**  
Chartered Accountants

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# NSX report

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## 1. Distribution of equity securities

The number of shareholders by size of holding are:

Number of equity securities	The number of shareholders by size of holding
1 – 1,000	103
1,001 – 5,000	188
5,001 – 10,000	40
10,001 – 100,000	27
100,001 and over	1

## 2. 13 largest shareholdings

The names of the 13 largest shareholders of quoted shares are:

Shareholder name	Number of shares	Percentage of holding
Lynette Maree Elliott	130,000	8.13%
Alice Patricia Stroud	70,000	4.38%
Richard Everritt Thorne	46,100	2.88%
Audrey Laureen Drever	40,000	2.5%
John Barry Carew	32,003	2%
Annie Carew	32,000	2%
Margaret Nicol Macleod	30,000	1.88%
Peter Wolfenden	30,000	1.88%
DEJ Investments Pty. Ltd.	30,000	1.88%
Impact Insurance Superannuation Fund Pty. Ltd.	30,000	1.88%
David Lewis Investments Pty. Ltd.	30,000	1.88%
David Lewis Investments Pty. Ltd. (Lewis Family Super Fund)	30,000	1.88%
Thomas Leigh Pty. Ltd. (The Waring Family Superannuation Fund)	30,000	1.88%

There are seven shareholders holding less than a marketable parcel of shares (\$500 in value).

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