



Bexley Financial
Services Limited

ABN 37 105 775 844

**ANNUAL
REPORT
2013**

Bexley **Community Bank**[®] Branch

Contents

Chairman's report	2
Directors' report	4
Auditor's independence declaration	8
Financial statements	9
Notes to the financial statements	14
Directors' declaration	24
Independent audit report	25

Chairman's report

For year ending 30 June 2013

There is no way of disguising the fact that, with a loss of (\$15,636), the company's financial performance is 2012/13 has been extremely disappointing. The combined impact of three major factors has led to this result.

Restoring the Balance

In 2011 Bendigo and Adelaide Bank announced that due to increased funding costs associated with the Global Financial Crisis, the revenue share model being used with **Community Bank**[®] branches had become unsustainable primarily as a result of the remuneration on fixed interest products. As a result trailer commission on these products was reduced by 0.125%. On 22 February 2013 Bendigo and Adelaide Bank advised the following:

Today we know that funding costs continue to be historically high as the well reported deposit war between banks is maintained. This means that the further change we outlined two years ago, and again at the National **Community Bank**[®] Conference in August 2012, is now necessary.

The fact is that the **Community Bank**[®] network's share of revenue has remained in excess of 60 per cent for the past 12 months and outside the established principle of the model's remuneration structure.

As a result, the Bank has decided to take that further step to restore the balance by reducing the trailer commission on fixed rate house loans and term deposits greater than 90 days from 0.375 per cent to 0.25 per cent effective 1 April 2013.

It is estimated that these "restoring the balance" measures have reduced the company's annual income by between \$90,000 and \$100,000.

Economic environment

The second major factor at work during the year has been the general economic environment where credit growth across the whole banking industry has stalled and interest rates have fallen. We know from previous experience that when interest rates are falling banking margins are squeezed and income falls, particularly from term deposits. This has again been the case in 2012/13 resulting in a loss of income of between \$40,000 and \$50,000 on the previous year.

Lack of growth

Faced with a very significant drop in income due to forces beyond its control, the only way for the company to stay in profit was to grow its business and particularly its loan book. This, unfortunately, we have not been able to do with the company's total banking business remaining static at around \$70 million for the past two years.

It is imperative that we add a minimum of \$12 million in banking business, with the majority of this in loans, as quickly as possible to return the company to profitability. To achieve this objective the following actions have been taken:

Strengthening the Board

Michael Nagi, John Theodoridis and Greg Bondar have been recruited as Directors to deepen our relationship with the local Greek and Lebanese communities, to improve the Board's marketing and business development strategies and processes and to garner a higher level of support from Rockdale City Council.

Chairman's report (continued)

Growing our business

With the assistance of Bendigo and Adelaide Bank, a complete review of our banking and lending operations is being undertaken to ensure we are able to meet demanding, but achievable growth targets.

There is, therefore, much effort being put into overcoming the major challenges that confront the company. And with your ongoing support I remain confident of success.

Conclusion

There is one final matter which I need to address. In last year's Annual Report it was announced that there would be a return of shareholder capital during 2013. Faced with the rapidly deteriorating financial situation I have outlined above, the Board felt it was important, indeed its prime responsibility at this stage, to maintain the company's capital base. I trust shareholders will, therefore, understand the decision to defer the return of shareholder capital until the company has re-established itself on a more stable financial footing.



Stephen Kaye

Chairman

Directors' report

For the financial year ended 30 June 2013

Your Directors present the financial statements of the company for the year ended 30 June 2013.

Principal activity and significant changes in state of affairs

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

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

Operating result

The net loss after providing for income tax amounted to \$15,636.

Review of operations for the year

An environment of falling interest rates and intense competition throughout the banking sector created generally unfavourable conditions which contributed significantly to the company's loss in 2012/13. These affects were exacerbated by the reduction in the company's income resulting from changes implemented by Bendigo and Adelaide Bank Limited as part of its "Restoring the Balance" program. The other major feature of the year was the company's inability to grow its banking business.

Dividends

No dividends were paid during the year and no recommendation is made as to dividends.

Events subsequent to the end of the reporting period

No matters of circumstance have arisen since the end of the financial year which 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 subsequent financial years.

Likely developments

While interest rates appear to have stabilised, margins will remain tight and competition intense. Return to profitability is dependant in the Branch's ability to grow its business, particularly in loans. The Board is developing a new Marketing and Business Development plan to address this issue.

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.

Option

During the financial year, and to the date of this report, no option has been granted or is held by any person over any unissued shares of the company.

Directors' report (continued)

Directors

The names of the Directors in office at any time during, or since the end of, the year are:

Stephen Kaye	
Michael Price	
Anton Dworzak	
Marianthe Kamateros	
Jag Rawat	
Lorna Parker	
Joseph Merhi	- Resigned December 2012
John Theodoridis	- Appointed March 2013
Michael Nagi	- Appointed June 2013
Greg Bondar	- Appointed October 2013

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Directors' meetings

During the financial year, nine Directors' meetings were held.

Attendances were:

	Directors' Meetings	
	Number eligible to attend	Number attended
Stephen Kaye	9	7
Michael Price	9	7
Anton Dworzak	9	2
Marianthe Kamateros	9	6
Jag Rawat	9	7
Lorna Parker	9	8
Joseph Merhi	5	4
John Theodoridis	3	2
Michael Nagi	1	1

Information on Directors'

- **Stephen Kaye**
 - Chairman from 23 February 2011
 - Qualification - Automotive Engineer (MIAME)
 - Experience - Director since 4 August 2003
 - Interest in Shares - 1 Founder share and 5,000 Ordinary shares

Directors' report (continued)

Information on Directors' (continued)

- **Michael Price** - Treasurer & Secretary
Qualification - Diploma of Military Studies, PSC
Experience - Director since 1 June 2004
Interest in Shares - 500 Ordinary shares
- **Anton Dworzak** - Director
Qualification - B.Eng, MBA, AIMM
Experience - Director since 3 February 2009
Interest in Shares - 5,000 ordinary shares
- **Marianthe Kamateros** - Director
Qualification - Beauty Therapist
Experience - Director since 4 August 2003
Interest in Shares - 1 Founder share and 2,000 Ordinary shares
- **Jag Rawat** - Director
Qualification - B.Ec MBA
Experience - Director since 25 November 2010
Interest in Shares - Nil shares
- **Lorna Parker** - Director
Qualification - BA Med. Admin, Teacher Certificate
Experience - Director since 25 November 2010
Interest in Shares - Nil shares
- **Joseph Merhi** - Director
Qualification - B.Eng(Civil), MBA
Experience - Director since 9 March 2010
Interest in Shares - Nil shares
- **John Theodoridis** - Director
Qualification - Solicitor M.A. B.Ec. (Hons) LL.B
Experience - Director since March 2013
Interest in Shares - Nil shares
- **Michael Nagi** - Director
Qualification - Independent Councillor (Rockdale City Council)
Experience - Director since June 2013
Interest in Shares - Nil shares
- **Greg Bondar** - Director
Qualification - B.Ec. MBA
Experience - Director since June
Interest in Shares - Nil shares

Directors' report (continued)

Directors benefits

No Director has received or has become entitled to receive, during or since the end of the financial year, a benefit because of a contract made by the company or a related body corporate with the Director, a firm of which the Director is a member or a company in which the 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, prepared in accordance with the Corporations Law, or the fixed salary of a full time employee of the company or related body corporate.

Indemnifying Officer or Auditor

The company has indemnified all Directors and the Manager in respect of liabilities to other persons (other than the company or related body Corporate) that may arise from their position as Directors or Managers of the company except where the liability arises out of conduct involving the 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. The company has not provided any insurance for an Auditor of the company or a related body corporate.

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 party to any such proceedings during the year.

Auditor's independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the Corporations Act 2013 is set out on the page following the Directors' report.

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



Stephen Kaye
Chairman



Michael Price
Director

Dated 31 October 2013

Auditor's independence declaration

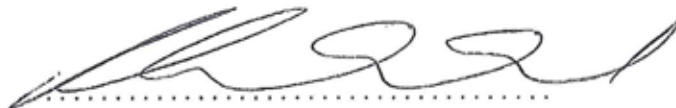
BEXLEY FINANCIAL SERVICES LIMITED
A.B.N. 37 105 775 844

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C
OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF BEXLEY FINANCIAL SERVICES LIMITED

We declare that, to the best of our knowledge and belief, during the year ended 30th June 2013 there have 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.

Name of Firm: Partlett, Chave & Rowland
Chartered Accountants



Name of Partner: Robert Bruce Rowland

Dated this 31ST day of OCTOBER 2013

Address: Baulkham Hills

Financial statements

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

	Note	2013 \$	2012 \$
Revenues	2	520,529	622,596
Other Income	2	5,448	4,718
Employee benefits expense		(267,725)	(273,475)
Depreciation and amortisation expenses		(22,902)	(17,566)
Borrowing costs		(3)	(2)
Other expenses		(250,983)	(205,301)
Profit/(loss) before income tax	3	(15,636)	130,970
Income tax (expense)/revenue	4	-	-
Profit/(loss) for the year	3	(15,636)	130,970
Other comprehensive income:			
Net gain/(loss) on revaluation of non current assets		-	-
Net gain/(loss) on revaluation of financial assets		-	-
Total other comprehensive income/(loss) for the year		-	-
Total comprehensive income/(loss) for the year		(15,636)	130,970
Profit/(loss) attributable to members of the entity		(15,636)	130,970
Total comprehensive income/(loss) attributable to members of the entity		(15,636)	130,970

The accompanying notes form part of these financial statements.

Financial statements (continued)

Statement of financial position as at 30 June 2013

	Note	2013 \$	2012 \$
Assets			
Current assets			
Cash	6	236,754	256,166
Receivables	7	41,669	50,825
Other	8	4,243	5,925
Total current assets		282,666	312,916
Non-current assets			
Property, plant and equipment	9	35,393	13,716
Intangibles	10	13,298	27,070
Total non-current assets		48,691	40,786
Total assets		331,357	353,702
Liabilities			
Current liabilities			
Accounts payable	11	34,567	48,823
Provisions	12	36,723	29,176
Total current liabilities		71,290	77,999
Total liabilities		71,290	77,999
Net assets (liabilities)		260,067	275,703
Equity			
Issued capital	13	744,909	744,909
Accumulated losses		(484,842)	(469,206)
Total equity		260,067	275,703

The accompanying notes form part of these financial statements.

Financial statements (continued)

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

	Issued Capital Ordinary \$	Accumulated Losses \$	Total \$
Balance at 1 July 2011	744,909	(600,176)	144,733
Profit/(loss) attributable to members of the entity	-	130,970	130,970
Total other comprehensive income for the year	-	-	-
Shares issued during the year	-	-	-
Subtotal	744,909	(469,206)	275,703
Dividends paid or provided for	-	-	-
Balance at 30 June 2012	744,909	(469,206)	275,703
Balance at 1 July 2012	744,909	(469,206)	275,703
Profit/(loss) attributable to members of the entity	-	(15,636)	(15,636)
Total other comprehensive income for the year	-	-	-
Shares issued during the year	-	-	-
Subtotal	744,909	(484,842)	260,067
Dividends paid or provided for	-	-	-
Balance at 30 June 2013	744,909	(484,842)	260,067

The accompanying notes form part of these financial statements.

Financial statements (continued)

Statement of cashflows for the year ended 30 June 2013

	Note	2013 \$	2012 \$
Cash flows from operating activities			
Receipts from franchise		528,853	624,811
Payment to suppliers and employees		(511,496)	(469,878)
Interest received		5,591	4,214
Other receipts (payables)		(2,303)	948
Net cash provided by (used in) operating activities		20,645	160,095
Cash flows from investing activities			
Payment for leasehold improvements		(36,000)	-
Payment for office equipment		(4,057)	(5,113)
Reimbursement for leasehold improvements		-	9,250
Net cash provided by (used in) investing activities		(40,057)	4,137
Net increase (decrease) in cash held		(19,412)	164,232
Cash at beginning of year		256,166	91,934
Cash at end of year		236,754	256,166

The accompanying notes form part of these financial statements.

Financial statements (continued)

Statement of cashflows for the year ended 30 June 2013 (continued)

	2013 \$	2012 \$
Notes to the statement of cash flows		
Reconciliation of cash		
Cash at the end of financial year as shown in the Statement of cash flows is reconciled to the related items in the Statement of financial position as follows:		
Cash on hand	40	25
Business cheque account	77,936	102,860
Cash management account	50,728	50,192
Club cheque account	210	210
Staff fund account	100	50
Term deposit	81,425	77,829
Term deposit	26,315	25,000
	236,754	256,166
Reconciliation of net cash provided by operating activities to profit from ordinary activities after income tax		
Operating profit (loss) after income tax	(15,636)	130,970
Non-cash flows in profit(loss) from ordinary activities:		
Amortisation	13,772	13,772
Depreciation	9,130	3,794
Provision for annual leave	5,081	(896)
Provision for long service leave	2,466	11,634
Changes in assets and liabilities:		
Decrease (increase) in trade debtors	9,156	(2,437)
Decrease (increase) in sundry debtors	142	(504)
Decrease (increase) in sundry provisions	(2,434)	(867)
Decrease (increase) in prepayments	1,539	(1,725)
Increase (decrease) in sundry creditors	254	(46)
Increase (decrease) in trade creditors	(3,387)	7,547
Increase (decrease) in accrued expenses	562	(6,021)
Cash flows from operations	20,645	160,095

Notes to the financial statements

For year ended 30 June 2013

Note 1. Statement of significant accounting policies

The financial statements cover Bexley Financial Services Limited as an individual entity. Bexley Financial Services Limited is a company limited by shares, incorporated and domiciled in Australia.

The financial statements were authorised for issue on 24 October 2013 by the Directors of the company.

Basis of preparation

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

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

The financial statements, except for cash flow information, have been prepared on an accrual 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. The amounts presented in the financial statements have been rounded to the nearest dollar.

Income tax

The income tax expense (revenue) for the year comprises current income tax expenses (income) and deferred tax expense (income).

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

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

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

Except for business combination, no deferred income tax will be recognised from initial recognition of an asset or liability where there is not effect on accounting or taxable profit or loss.

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 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.

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.

Notes to the financial statements (continued)

Note 1. Statement of significant accounting policies (continued)

Income tax (continued)

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Property, plant and equipment

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

a) Property

Freehold land and buildings are measured on the fair value basis, being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction. It is the policy of Bexley Financial Services Limited to have an independent valuation every three years, with annual appraisals being made by the Directors.

The revaluation of freehold land and buildings has not taken account of the potential capital gains tax on assets acquired after the introduction of capital gains tax.

b) Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of 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 present values in determining recoverable amounts.

The cost of fixed assets constructed within Bexley Financial Services Limited includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

c) Depreciation

The depreciable amount of all fixed assets including building and capitalised leased assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to Bexley Financial Services Limited commencing from the time the asset is held ready for use. Properties held for investment purposes are not subject to a depreciation charge. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of asset	Depreciation rate %
Leasehold improvements	20%
Franchise agreement	20%
Office furniture & equipment	7 to 20%

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

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

Notes to the financial statements (continued)

Note 1. Statement of significant accounting policies (continued)

Property, plant and equipment (continued)

c) Depreciation (continued)

Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

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 transferred to Bexley Financial Services Limited are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual value. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the economic entity will obtain ownership of the asset or over the term of the lease.

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 received under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

Goodwill

Goodwill is initially recorded at the amount by which the purchase price for a business exceeds the fair value attributed to its net tangible assets at the date of acquisition. Purchased goodwill is amortised on a straight line basis over the period of 5 years. The balance is reviewed annually and any balance representing future benefits for which the realisation is considered to be no longer probable are written off.

Employee benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled plus related on-costs. Other 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.

Long Service Leave is accrued in respect of all employees with more than 5 years service with the company.

Contributions are made by the company to an employee superannuation fund and are charged as expenses when incurred.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand and deposits held at call with banks or financial institutions, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

Notes to the financial statements (continued)

Note 1. Statement of significant accounting policies (continued)

Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of Goods and Services Tax (GST).

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 Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the assets or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Comparative figures

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

When an entity applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.

Trade and other payables

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

Critical accounting estimates and judgments

The Directors evaluate estimates and judgments 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.

Key estimates – impairment

The company assesses impairment at the end of each reporting period by evaluation of conditions and events specific to the company that may be indicative of impairment triggers.

New accounting standards for application in future periods

The Australian Accounting Standards Board has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods and which the company has decided not to early adopt.

Notes to the financial statements (continued)

	2013 \$	2012 \$
Note 2. Revenue and other income		
Revenue:		
Commission income	520,529	622,596
Other income:		
Interest income	5,448	4,718
Total other income	5,448	4,718

Note 3. Profit before income tax

Expenses		
Borrowing costs:		
Bank interest	3	2
Depreciation and amortisation expense:		
Property, plant and equipment	9,130	3,794
Goodwill amortisation	13,772	13,772
Total depreciation and amortisation expense	22,852	17,566

Note 4. Income tax expense

The components of tax expense comprise:

Current tax	-	-
Deferred tax	-	-
	-	-

Note 5. Auditors' remuneration

Remuneration of the Auditor of the entity for:

- auditing the financial statements	6,500	6,500
-------------------------------------	-------	-------

Note 6. Cash and cash equivalents

Cash on hand	40	25
Bendigo Business Solutions A/C	77,936	102,860
Bendigo Cash Management A/C	50,728	50,192
Bendigo Club Cheque A/C	210	210
Bexley Staff Fund A/C	100	50

Notes to the financial statements (continued)

	2013 \$	2012 \$
Note 6. Cash and cash equivalents (continued)		
Term deposit	81,425	77,829
Term deposit	26,315	25,000
	236,754	256,166

Note 7. Trade and other receivables

Current

Trade receivables	41,669	50,825
--------------------------	---------------	---------------

Provision for doubtful debts

Current trade receivables are generally 30-day terms. These receivables are assessed for recoverability and a provision for doubtful debts is recognised when there is objective evidence that an individual trade receivable may not be recoverable. These amounts have been included in other expenses items.

Credit risk – trade and other receivables

The company does not have any material credit risk exposure to any single receivable or group of receivables.

The following table details the company's trade and other receivables exposed to credit risk with aging analysis. 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 counter party to the transaction. Receivables that are past due are assessed as doubtful 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.

	Gross amount	Past due and doubtful	Past due but not doubtful				Not past due
			< 30	31-60 days	61-90 days	> 90	
2013							
Trade receivables	41,669	-	-	-	-	-	41,669
Other receivables	-	-	-	-	-	-	-
Total	41,669	-	-	-	-	-	41,669
2012							
Trade receivables	50,825	-	-	-	-	-	50,825
Other receivables	-	-	-	-	-	-	-
Total	50,825	-	-	-	-	-	50,825

Notes to the financial statements (continued)

	2013 \$	2012 \$
Note 8. Other assets		
Current		
Accrued Income	464	607
Prepayments	3,779	5,318
	4,243	5,925

Note 9. Property, plant and equipment

Land and buildings

Leasehold improvements	219,358	192,608
Less: accumulated amortisation	(195,896)	(188,241)
	23,462	4,367
Office furniture & equipment	16,228	12,171
Less: accumulated depreciation	(4,297)	(2,822)
	11,931	9,349
Total property, plant and equipment	35,393	13,716

Movements in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Leasehold improvements \$	Office furniture & equipment \$	Total \$
Balance at 1 July 2011	7,138	5,259	12,397
Additions	-	5,113	5,113
Disposals – written-down value	-	-	-
Revaluations increment	-	-	-
Depreciation expenses	(2,771)	(1,023)	(3,794)
Carrying amount at 30 June 2012	4,367	9,349	13,716

Notes to the financial statements (continued)

Note 9. Property, plant and equipment (continued)

Movements in carrying amounts (continued)

	Leasehold improvements \$	Office furniture & equipment \$	Total \$
Balance at 1 July 2012	4,367	9,349	13,716
Additions	26,750	4,057	30,807
Disposals – written-down value	-	-	-
Revaluations increment	-	-	-
Depreciation expenses	(7,655)	(1,475)	(9,130)
Carrying amount at 30 June 2013	23,462	11,931	35,393

	2013 \$	2012 \$
--	------------	------------

Note 10. Intangible assets

Goodwill	188,862	188,862
Less accumulated amortisation	(175,564)	(161,792)
	13,298	27,070

Note 11. Trade and other payables

Current

Trade payables	11,380	14,768
Sundry payables	982	727
Other payables	-	9,250
Accrued expenses	8,342	7,780
GST payable	13,863	16,298
	34,567	48,823

Note 12. Provisions

Current

Provision for long service leave	16,867	14,401
Provision for annual leave	19,856	14,775
	36,723	29,176

Notes to the financial statements (continued)

Note 13. Financial instruments

The company's financial instruments consist mainly of deposits with banks, term deposit investments and accounts receivable and payable.

Interest rate risk

Interest rate risk relates to the company's exposure to fluctuations in repayments due to changes in market interest rates. The average interest rates of the entities financial assets and liabilities are as follows:

	Average effective interest rate		2013 \$	2012 \$
	2013 %	2012 %		
Financial assets				
Cash at bank	0.49	0.89	129,014	153,337
Term deposits	4.47	3.26	107,740	102,829
Total financial assets			236,754	256,166

Net fair values

The net fair values of listed investments have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. For other assets and other liabilities net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments. Financial assets where the carrying amount exceeds net fair values have not been written down as the company intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

2013 \$	2012 \$
------------	------------

Note 14. Issued capital

Issued and paid up capital:

Ordinary shares issued	744,909	744,909
------------------------	---------	---------

Notes to the financial statements (continued)

	2013 \$	2012 \$
Note 15. Leasing commitments		
Operating lease commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements		
Payable – minimum lease payments		
- not later than 12 months	-	-
- between 12 months and five years	-	-
- greater than five years	-	-
	-	-

The new lease is currently being negotiated.

Note 16. Contingent liabilities

The company does not have any known contingent liabilities.

Note 17. Events after the reporting period

The new lease is currently being negotiated with the landlord.

No other matters or circumstance has arisen since the end of the financial year which 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 subsequent financial years.

Note 18. Segment reporting

This company only operates in New South Wales.

Note 19. Entity details

The registered office of the entity is:

Bexley Financial Services Limited
35 Firth Street,
Arncliffe NSW 2205

The principal place of business of the entity is:

Bexley Financial Servies Limited
416 Forest Road,
Bexley NSW 2207

Directors' declaration

In accordance with a resolution of the Directors of Bexley Financial Services Limited, the Directors declare that:

1. The financial statements and notes are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
 - (b) give a true and fair view of the financial position as at 30 June 2013 and performance for the year ended on that date of the company;
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.



Stephen Kaye
Chairman



Michael Price
Director

Dated 31 October 2013

Independent audit report

INDEPENDENT AUDIT REPORT

TO THE MEMBERS OF

BEXLEY FINANCIAL SERVICES LIMITED

A.B.N. 37 105 775 844

Report on the Financial Report

We have audited the accompanying financial report of Bexley Financial Services Limited, which comprises of the statement of financial position as at 30th June 2013, and the statement profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising of a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation 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 presentation 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 report 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 risk of material misstatements 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.

Independent audit report (continued)

INDEPENDENT AUDIT REPORT

TO THE MEMBERS OF

BEXLEY FINANCIAL SERVICES LIMITED

A.B.N. 37 105 775 844

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 Bexley Financial Services Limited, would be in the same terms if provided to the directors as at the date of this auditor's report.

Qualification

The ability for the company to recoup its accumulated losses depends on the ability to continuously generate profits and the overdraft facility provided by the Bendigo and Adelaide Bank. Notwithstanding this uncertainty, in our opinion it is still appropriate for the financial report to be prepared on a going concern basis.

Qualified Audit Opinion

In our opinion, except for the effects on the financial report of the matter referred to in the qualification paragraph,

- (a) the financial report of Bexley Financial Services Limited is in accordance with the Corporations Act 2001, including:
- (i) giving a true and fair view of the company's financial position as at 30th June 2013 and of their performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Name of Firm: Partlett, Chave & Rowland
Chartered Accountants

Name of Partner: 
.....
Robert Bruce Rowland

Address: Baulkham Hills

Dated this 31ST day of OCTOBER 2013



Bexley **Community Bank**[®] Branch
416-418 Forest Road, Bexley NSW 2207
Phone: (02) 9567 4519 Fax: (02) 9567 9364

Franchisee: Bexley Financial Services Limited
PO Box 21, Arncliffe NSW 2205
Phone: (02) 9597 7677
ABN: 37 105 775 844

www.bendigobank.com.au/bexley
(BMPAR13160) (11/13)

