

**Bexley Financial
Services Limited**

ABN 37 105 775 844

ANNUAL REPORT 2016

Bexley Community Bank[®] Branch

Chairman's Report

For the year ending 30 June 2016

This being my last Annual General Meeting report thank you for allowing me this opportunity to try to summarise almost 14 years of involvement with the Bexley **Community Bank** Branch and its assistance to the community.

We opened the branch on 18 June 2004 with three main goals.

- Provide Bexley with a very much needed banking facility,
- Support local community organisations to better serve the area, and
- Reward our shareholders with dividends.

The first one of these was achieved by simply opening the branch and the second soon after with help from Bendigo and Adelaide Bank, more on this later.

The Board's aim was to be profitable in three years. Needless to say this didn't happen: it took 10 years to achieve. Some of the reasons for this were:

- Our first Branch Manager accepted a position from Bendigo and Adelaide and moved to Leichhardt during the financial year 2006-07. His replacement didn't make it past the probationary period.
- A violent robbery in October 2007 that resulted in unexpected expense apart from the obvious disruption to business.
- The Global Financial Crisis (GFC) hit 2009 lowering interest rates and banking margins.

Despite these setbacks we reached profitability in financial year ending June 2010 and stayed on the correct side of the ledger for two more years showing profit of \$270,000 over the three years.

What followed was Bendigo and Adelaide Bank discovered the system in use for the sharing of profit was favouring the **Community Bank** companies and introduced what Bendigo and Adelaide Bank called "Restoring the Balance". The result of this was a \$15,000 loss verses \$130,000 profit the previous year.

The financial year 2012-13 saw significant underperformance resulting in the Branch Manager's employment being terminated in February 2014.

The current Branch Manager Baher Botros was appointed early May 2014 which meant the branch operated without a Manager for almost three months.

Achievements

As mentioned earlier we were able to, (with help from Bendigo and Adelaide Bank) financially support local Community organisation by way of sponsorship such as: Rockdale SES, Nurses on Wheels, North Bexley Junior FC, Three Bridges, Walca and Hurstville Minotaurs FC. This list is by no mean exhaustive.

In 2012 we were able to add an extension to the branch including doubling the frontage which gave us more exposure to the public.

With help from Bendigo and Adelaide Bank we performed a "Board Review" and held a Strategic Planning Session. As a result of this we now have three new young, capable, enthusiastic, community-minded local Directors.

More recently, our Branch Manager restructured the staff at the branch. We are now operating with, Baher leading the team as Branch Manager, Emma our Customer Relationship Manager (CRM) and the most recent appointment Anthony as Senior Customer Service officer (SCSO) backed up by very enthusiastic and capable team of Customer Service Officers (CSOs).

AND NOW FOR THE FUTURE

I know it sounds like a "cliché" but I firmly believe "our Bank" has never been better positioned for healthy growth than it is now, based on the above. The three young Directors have already proven they not only have the skills but are passionate about making Bexley Financial Services Limited a success for "their Community" and with elder Statesman Michael Price remaining to lend experience, wisdom and leadership the question is not if but when.

ON A PERSONAL NOTE

I have been a Director since 4 August 2003 (incorporation of Bexley Financial Services Limited) and Chairman for all but two years (2010-2011) due to a serious health issue in my family. My most sincere appreciation goes to 25 other people who volunteered their expertise and time to serve their community by doing their best for the Bexley **Community Bank** Branch. They, like all of us shareholders did not receive any financial rewards for their services, but were willing to put something back into their community. For myself it has been a privilege and a humbling experience to lead a team in a project that will have lasting benefit for the people who live here. The current Board have what it takes for Bexley **Community Bank** branch to succeed.

Stephen Kaye
Chairman

PS

We are very grateful to all of you for investing in our in our bank but it now behoves us to make it a successful business venture. You can help by doing the following:

- All bringing as much of your banking business to our bank as is possible.
- Speaking to your family members and encouraging them to bring their banking business to our bank
- Speaking to all your friends and business associates and recommending that they bring their banking business to our bank
- Joining us in encouraging all local business to bank with our bank.

The above is reprinted from the first Annual Report I wrote as Chairman in 2004 and it is as relevant today as it was then.

Branch Manager's Report

For the year ending 30 June 2016

Over the past couple of years I have had the pleasure of watching our Bexley **Community Bank** Branch raise the bar for ourselves and for our stakeholders. We started our three year transformation plan in July 2014 with a banking “book” of \$67 million and at the end of 2015-16 this stood at \$80.65 million. In this time I have met with the majority of our shareholders, key stakeholders and customers and with their support, the guidance of our Board of Directors and the effort of our dedicated branch staff I am pleased to report the following highlights of the year ending 30 June 2016:

- \$3.99million Net Lending Growth as a result of 55 approved applications and 52 settlements
- \$3.05million Net Deposit Growth
- \$1million Net Wealth Management Growth
- 57.1% Increase to our Upfront Product Commission
- 16.3% Increase to our Margin Income
- \$31,000 reduction in operating expenses for the year.

It is also pleasing that this progress is continuing into the new financial year with first quarter growth in total banking business of \$5.36 million .

Another important achievement, closely related to our improving business performance, has been the development of the skills and abilities of our branch staff resulting in higher local delegations and faster loan application approvals. Our investment in people, processes and technology must be maintained, if we are to meet the changing needs of new and existing customers.

Despite continuing uncertainty in global financial markets and fierce competition within the banking industry, I am confident of our ability to achieve further income growth, to control costs and to deliver the higher shareholder and community returns we all seek.

Baher Botros
Branch Manager

BEXLEY FINANCIAL SERVICES LIMITED

A.B.N. 37 105 775 844

CONCISE FINANCIAL REPORT

FOR THE YEAR ENDED
30TH JUNE 2016

BEXLEY FINANCIAL SERVICES LIMITED

A.B.N. 37 105 775 844

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

DIRECTORS' REPORT

Your directors present the financial statements of the company for the year ended 30th June 2016.

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.

OPERATING RESULT

The net loss after providing for income tax amounted to \$50,848.

REVIEW OF OPERATIONS FOR THE YEAR

Historically low interest rates continued to put pressure on banking margins throughout the year and competition remained fierce across the banking industry. A restructuring of Branch staff has resulted in increased capability, particularly in writing loans, and the cessation of Saturday trading has lowered operating costs. The full benefit of these actions will be felt in 2016/2017.

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

It is expected that changes to the methodology for determining the income of community bank companies will have a positive impact on Bexley Financial Services Ltd with affect from 1 July 2016.

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.

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

DIRECTORS' REPORT

DIRECTORS

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

Stephen Kaye
Michael Price
Marianthe Kamateros
Jag Rawat
John Theodoridis
Michael Nagi
Robert Price
Kylee Trevitt
Ralph Kooi

- Appointed March 2016

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 eleven Directors' meetings were held.

Attendances were:

	<u>Directors' Meetings</u>	
	<u>Number eligible to attend</u>	<u>Number attended</u>
Stephen Kaye	11	10
Michael Price	11	10
Marianthe Kamateros	11	11
Jag Rawat	11	1
John Theodoridis	11	9
Michael Nagi	11	5
Robert Price	11	8
Kylee Trevitt	11	5
Ralph Kooi	5	5

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

DIRECTORS' REPORT

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 |
| ◆ Michael Price | - Treasurer & Secretary |
| Qualification | - Diploma of Military Studies, PSC |
| Experience | - Director since 1 June 2004 |
| Interest in Shares | - 500 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 | - BEc MBA |
| Experience | - Director since 25 November 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 |
| ◆ Robert Price | - Director |
| Qualification | - BA, MSC |
| Experience | - Director since February 2015 |
| Interest in Shares | - Nil shares |
| ◆ Kylee Trevitt | - Director |
| Qualification | - |
| Experience | - Director since June 2015 |
| Interest in Shares | - Nil shares |
| ◆ Ralph Kooi | -Director |
| Qualification | -B.Comm(Marketing), MComm(Business,Marketing) |
| Experience | -Director since February 2016 |
| Interest in Shares | -Nil. |

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

DIRECTORS' REPORT

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

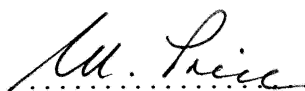
No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not party to any such proceedings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

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the page following the directors' report.

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


..... (Chairman)
Stephen Kaye


..... (Director)
Michael Price

Dated this 27th day of September 2016


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 2016 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 Auditor: 
Robert Bruce Rowland

Dated this 28th day of September 2016

Address: Sydney

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 concise financial report of Bexley Financial Services Limited, which comprises of the statement of financial position as at 30th June 2016, 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, and related notes, derived from the audited financial report of Bexley Financial Services Limited for the year ended 30 June 2016, as well as the discussion and analysis. The concise financial report does not contain all the disclosures required by Australian Accounting Standards and accordingly, reading the concise financial report is not a substitute for reading the audited financial report.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the concise financial report in accordance with Accounting Standard AASB 1039: Concise Financial Reports, and the Corporations Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of the concise financial report.

Auditor's responsibility

Our responsibility is to express an opinion on the concise financial report based on our procedures which were conducted in accordance with Auditing Standard ASA 810: Engagements to Report on Summary Financial Statements. We have conducted an independent audit, in accordance with Australian Auditing Standards, of the financial report of Bexley Financial Services Limited for the year ended 30 June 2016. We have expressed an unmodified audit opinions on that financial report in our report dated 28th September 2016. The Australian 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 concise financial report. The procedures selected depend on the auditor's judgment including the assessment of the risk of material misstatements of the concise financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the concise 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. Our procedures included testing that the information in the concise financial report is derived from, and is consistent with, the financial report for the year, and examination on a test basis, of audit evidence supporting the amounts, discussion and analysis, and other disclosures which were not directly derived from the financial report for the year. These procedures have been undertaken to form an opinion on whether, in all material respects, the concise financial report complies with AASB 1039: Concise Financial Reports and whether the discussion and analysis complies with the requirements laid down in AASB 1039: Concise Financial Reports.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

**STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE 2016**

	Note	2016 \$	2015 \$
Revenue	2	559,281	543,151
Other Income	2	3,323	3,470
Employee benefits expense		(382,643)	(400,890)
Depreciation and amortisation expenses		(20,933)	(21,368)
Borrowing costs		(749)	(60)
Other expenses		(209,127)	(189,586)
		<hr/>	<hr/>
Profit/(Loss) before income tax		(50,848)	(65,283)
Income tax (expense)/revenue		-	-
		<hr/>	<hr/>
Profit/(Loss) for the year		(50,848)	(65,283)
Other comprehensive income:			
Net gain/(loss) on revaluation of non		-	-
Net gain/(loss) on revaluation of financial		-	-
		<hr/>	<hr/>
Total other comprehensive income/(loss) for		-	-
		<hr/>	<hr/>
Total comprehensive income/(loss) for the		(50,848)	(65,283)
		<hr/> <hr/>	<hr/> <hr/>
Profit/(loss) attributable to members of		(50,848)	(65,283)
		<hr/> <hr/>	<hr/> <hr/>
Total comprehensive income/(loss)		(50,848)	(65,283)
		<hr/> <hr/>	<hr/> <hr/>

The accompanying notes form part of these financial statements.

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

STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2016

	Note	2016 \$	2015 \$
ASSETS			
CURRENT ASSETS			
Cash		63,539	107,173
Receivables		50,793	47,465
Other		3,999	5,391
		<hr/>	<hr/>
TOTAL CURRENT ASSETS		118,331	160,029
		<hr/>	<hr/>
NON-CURRENT ASSETS			
Property, plant and equipment		13,774	20,964
Intangibles		40,625	54,368
		<hr/>	<hr/>
TOTAL NON-CURRENT ASSETS		54,399	75,332
		<hr/>	<hr/>
TOTAL ASSETS		<hr/> <hr/> 172,730	<hr/> <hr/> 235,361
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable		82,987	96,725
Provisions		25,235	23,280
		<hr/>	<hr/>
TOTAL CURRENT LIABILITIES		108,222	120,005
		<hr/>	<hr/>
TOTAL LIABILITIES		<hr/> <hr/> 108,222	<hr/> <hr/> 120,005
		<hr/>	<hr/>
NET ASSETS (LIABILITIES)		<hr/> <hr/> 64,508	<hr/> <hr/> 115,356
EQUITY			
Issued capital		744,909	744,909
Accumulated losses		(680,401)	(629,553)
		<hr/>	<hr/>
TOTAL EQUITY		<hr/> <hr/> 64,508	<hr/> <hr/> 115,356

The accompanying notes form part of these financial statements.

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

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2016

	Issued Capital Ordinary \$	Accumulated Losses \$	Total \$
Balance at 1 July 2014	744,909	(564,270)	180,639
Profit/(Loss) attributable to members of the entity	-	(65,283)	(65,283)
Total other comprehensive income for the year	-	-	-
Shares issued during the year	-	-	-
Subtotal	744,909	(629,553)	115,356
Dividends paid or provided for	-	-	-
Balance at 30 June 2015	744,909	(629,553)	115,356
Balance at 1 July 2015	744,909	(629,553)	115,356
Profit/(Loss) attributable to members of the entity	-	(50,848)	(50,848)
Total other comprehensive income for the year	-	-	-
Shares issued during the year	-	-	-
Subtotal	744,909	(680,401)	64,508
Dividends paid or provided for	-	-	-
Balance at 30 June 2016	744,909	(680,401)	64,508

The accompanying notes form part of these financial statements.

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2016

	2016 \$	2015 \$
Cash Flows from Operating Activities		
Receipts from Franchise	556,258	537,601
Payment to Suppliers and Employees	(575,164)	(584,616)
Interest Received	1,168	3,530
Other Receipts (Payables)	1,589	2,343
	<hr/>	<hr/>
Net cash provided by (used in) operating activities	(16,149)	(41,142)
	<hr/>	<hr/>
Cash Flows from Investing Activities		
Payment for Leasehold Improvements	-	-
Payment for Office Equipment	-	-
	<hr/>	<hr/>
Net cash provided by (used in) investing activities	-	-
	<hr/>	<hr/>
Cash Flows from Financing Activities		
Payment of Franchisee Instalments	(27,485)	(13,743)
	<hr/>	<hr/>
Net cash provided by (used in) financing activities	(27,485)	(13,743)
	<hr/>	<hr/>
Net increase (decrease) in cash held	(43,634)	(54,885)
Cash at Beginning of Year	107,173	162,058
	<hr/>	<hr/>
Cash at end of year	<u>63,539</u>	<u>107,173</u>

The accompanying notes form part of these financial statements.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2016

1 Basis of Preparation of the Concise Financial Report

The concise financial report relates to Bexley Financial Services Limited as an individual entity and at the end of the year ended 30 June 2016.

The concise financial report has been prepared in accordance with Australian Accounting Standard AASB 1039: Concise Financial Reports and the Corporations Act 2001. The accounting policies adopted have been consistently applied to all financial periods presented unless otherwise stated.

The presentation currency used in this concise financial report is Australian dollars.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2016

	2016	2015
	\$	\$
2 REVENUE AND OTHER INCOME		
Revenue:		
Commission Income	559,281	543,151
Other Income:		
Interest Income	1,073	3,470
Government Apprentice Incentives	2,250	-
Total Other Income	<u>3,323</u>	<u>3,470</u>

3 DIVIDENDS

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

4 OPERATING SEGMENTS

This company only operates as a franchise branch of Bendigo and Adelaide Bank Limited and operates in New South Wales only.

5 EVENTS AFTER THE REPORTING PERIOD

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.

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

DIRECTORS' DECLARATION

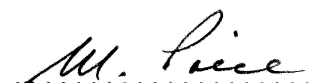
In accordance with a resolution of the directors of Bexley Financial Services Limited, the directors of the company declare that the concise financial report of Bexley Financial Services Limited for the financial year ended 30 June 2016:

- (a) comply with Accounting Standard AASB 1039: Concise Financial Reports; and
- (b) is an extract from the full financial report for the year ended 30 June 2016 and has been derived from and is consistent with the full financial report of Bexley Financial Services Limited.

Director


.....
Stephen Kaye

Director


.....
Michael Price

Dated this 27th day of September 2016

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 concise financial report of Bexley Financial Services Limited, which comprises of the statement of financial position as at 30th June 2016, 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, and related notes, derived from the audited financial report of Bexley Financial Services Limited for the year ended 30 June 2016, as well as the discussion and analysis. The concise financial report does not contain all the disclosures required by Australian Accounting Standards and accordingly, reading the concise financial report is not a substitute for reading the audited financial report.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the concise financial report in accordance with Accounting Standard AASB 1039: Concise Financial Reports, and the Corporations Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of the concise financial report.

Auditor's responsibility

Our responsibility is to express an opinion on the concise financial report based on our procedures which were conducted in accordance with Auditing Standard ASA 810: Engagements to Report on Summary Financial Statements. We have conducted an independent audit, in accordance with Australian Auditing Standards, of the financial report of Bexley Financial Services Limited for the year ended 30 June 2016. We have expressed an unmodified audit opinions on that financial report in our report dated 28th September 2016. The Australian 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 concise financial report. The procedures selected depend on the auditor's judgment including the assessment of the risk of material misstatements of the concise financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the concise 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. Our procedures included testing that the information in the concise financial report is derived from, and is consistent with, the financial report for the year, and examination on a test basis, of audit evidence supporting the amounts, discussion and analysis, and other disclosures which were not directly derived from the financial report for the year. These procedures have been undertaken to form an opinion on whether, in all material respects, the concise financial report complies with AASB 1039: Concise Financial Reports and whether the discussion and analysis complies with the requirements laid down in AASB 1039: Concise Financial Reports.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 concise financial report of the matter referred to in the qualification paragraph, the concise financial report, including the discussion and analysis of Bexley Financial Services Limited for the year ended 30 June 2016, complies with Accounting Standard AASB 1039: Concise Financial Reports.

Name of Firm: Partlett, Chave & Rowland
Chartered Accountants


.....
Name of Auditor: Robert Bruce Rowland

Address: Sydney

Dated this 28th day of September 2016

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 05 775 844

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

Bexley **Community Bank**[®] Branch