

Bexley Financial  
Services Limited

ABN 37 105 775 844

# **ANNUAL REPORT 2017**

Bexley Community Bank<sup>®</sup> Branch



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# Chairman's Report

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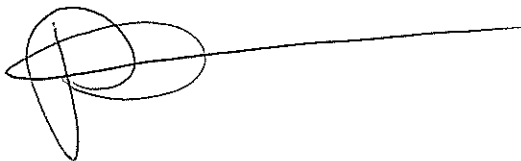
*For the year ending 30 June 2017*

The past 12 months has been dominated by the resignation of the Branch Manager in late 2016 and our inability to find a suitable replacement. Two applicants have been trialled during 2017 and both failed to perform in a manner warranting confirmation. Without the energy and direction that comes from a capable Branch Manager it has been very difficult, if not impossible, for the Board of Directors to develop and implement the strategies required to achieve the business growth the company needs.

Despite these difficulties our other Branch staff, ably led by our Customer Relations Manager, Emma Kauter, have continued to perform their operational tasks in an exemplary fashion and I thank them for a job well done. The State Office of Bendigo and Adelaide Bank have also been very supportive in terms of both personnel and financial assistance which I also gratefully acknowledge.

It's pleasing in these circumstances to be able to report that we have been able to maintain our total banking business at over \$80 million and produce for the first time in four years a small profit of \$10,077.

The key to continuing our recent record of steadily improving our financial performance is finding a suitable Branch Manager. Together with Bendigo and Adelaide Bank we are doing all one can to achieve this as quickly as possible. We will then be in a position to re-commit ourselves to the one purpose of serving our shareholders, our customers and our community.

A handwritten signature in black ink, consisting of a stylized 'R' followed by a long horizontal line.

Ralph Kooi  
Chairman

**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 2017.

**DIRECTORS**

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

Stephen Kaye	- Retired as a Director in 2016
Michael Price	
Marianthe Kamateros	
Jag Rawat	- Retired as a Director in 2016
John Theodoridis	
Michael Nagi	
Robert Price	
Kylee Trevitt	
Ralph Kooi	

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

**PRINCIPAL ACTIVITY**

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 profit after providing for income tax amounted to \$10,077.

**REVIEW OF OPERATIONS FOR THE YEAR**

As predicted in last year's report, changes in the methodology for determining the income of community bank companies has had a positive impact on the company's performance with a return to profit for the first time since 2011/2012. The sudden resignation of the Branch Manager in late 2016 and our inability to find a suitable replacement has significantly limited growth in our overall business. Throughout the difficult period Bendigo and Adelaide Bank have provided valuable and timely support and the performance of our loyal branch staff has been exemplary.

**SIGNIFICANT CHANGES IN STATE OF AFFAIRS**

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

**EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD**

The resignation of the then Branch Manager in late 2016 was associated with a number of loans which were made outside of approved banking procedures. The circumstances surrounding these loans are being investigated by Bendigo and Adelaide Bank and the outcome, including any financial implications for the company, will be formally advised in October 2017.

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

**DIRECTORS' REPORT**

**LIKELY DEVELOPMENTS**

Resolution of key staffing issues and greater community engagement is expected to produce steady growth in banking business and improve financial performance over the coming years.

**DIVIDENDS**

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

**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.

**OPTIONS**

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.

No shares were issued during or since the end of the year as a result of the exercise of an option over unissued shares or interests.

**INDEMNIFYING OFFICERS OR AUDITOR**

The company has paid premiums to insure directors under a Management Liability Insurance.

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.

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

**DIRECTORS' REPORT**

**INFORMATION ON DIRECTORS'**

- |                       |                                                  |
|-----------------------|--------------------------------------------------|
| ◆ Ralph Kooi          | - Chairman                                       |
| Qualification         | - B.Comm(Marketing), MComm(Business,Marketing)   |
| Experience            | - Director since February 2016                   |
| Interest in Shares    | - 500 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      |
| ◆ John Theodoridis    | - Director                                       |
| Qualification         | - Solicitor M.A. B.Ec. (Hons) LL.B               |
| Experience            | - Director since March 2013                      |
| Interest in Shares    | - 500 shares                                     |
| ◆ Michael Nagi        | - Director                                       |
| Qualification         | - Independent Councillor (Rockdale City Council) |
| Experience            | - Director since June 2013                       |
| Interest in Shares    | - 500 shares                                     |
| ◆ Robert Price        | - Director                                       |
| Qualification         | - BA, MSC                                        |
| Experience            | - Director since February 2015                   |
| Interest in Shares    | - 500 shares                                     |
| ◆ Kylee Trevitt       | - Director                                       |
| Qualification         | -                                                |
| Experience            | - Director since June 2015                       |
| Interest in Shares    | - 500 shares                                     |

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

DIRECTORS' REPORT

DIRECTORS' MEETINGS

During the financial year nine Directors' meetings were held.

Attendances were:

	<u>Directors' Meetings</u>	
	<u>Number eligible</u>	<u>Number</u>
	<u>to attend</u>	<u>attended</u>
Stephen Kaye	4	4
Michael Price	9	9
Marianthe Kamateros	9	7
Jag Rawat	4	0
John Theodoridis	9	6
Michael Nagi	9	5
Robert Price	9	8
Kylee Trevitt	9	5
Ralph Kooi	9	9

DIRECTORS BENEFITS

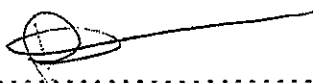
No Director has received or has become entitled to receive, during or since the end of the financial year, a benefit because of a contract made by the Company or a related body corporate with the Director, a firm of which the director is a member or a company in which the director has a substantial financial interest.

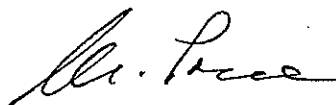
This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by Directors shown in the Company's accounts, prepared in accordance with the Corporations Law, or the fixed salary of a full time employee of the company or related body corporate.

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)  
Ralph Kooi

  
..... (Director)  
Michael Price

Dated this 28th day of September 2017



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 2017 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 2017

Address: Level 9  
75 King Street  
Sydney NSW 2000

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

**DISCUSSION AND ANALYSIS OF**  
**THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

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**Relationship of the concise financial report to the full financial report**

The concise financial report is an extract from the full financial report for the year ended 30 June 2017. The Financial statements, specific disclosures and other information included in the concise financial report are derived from, and consistent with, the corresponding full financial report of Bexley Financial Services Limited.

The concise financial report cannot be expected to provide as detailed an understanding of the financial performance, financial position and financing and investing activities of Bexley Financial Services Limited as the full financial report.

Copies of the full financial report can be obtained free of charge by any member upon request.

**Information on Bexley Financial Services Limited Concise Financial Report**

This discussion and analysis is provided to assist members in understanding the concise financial report. The discussion and analysis is based on Bexley Financial Services Limited financial statements and the information contained in the concise financial report has been derived from the full 2017 financial report of Bexley Financial Services Limited.

**Statement of Profit or Loss and Other Comprehensive Income**

The net profit before income tax attributable to shareholders for the year is \$10,077, which is the first profit since the 2011-12 financial year.

**Statement of Financial Position**

The effect of the current year financial losses has been to increase in net assets to \$74,585 and a decrease in accumulated losses to \$670,324.

**Statement of Changes in Equity**

The equity of the company has increased by \$10,077. This is due to the current year operating profit.

**Statement of Cash Flows**

Cash at the end of the year increased by \$3,265 to \$66,804. With no capital expenditure and no dividend payment, the decrease in cash at the end of the year is due to the current year financial profit.

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 2017

	Note	2017 \$	2016 \$
Revenue	2	607,016	559,281
Other Income	2	-	3,323
Employee benefits expense		(303,165)	(382,643)
Depreciation and amortisation expenses		(20,659)	(20,933)
Borrowing costs		-	(749)
Other expenses		(273,115)	(209,127)
Profit/(Loss) before income tax		10,077	(50,848)
Income tax (expense)/revenue		-	-
Profit/(Loss) for the year		10,077	(50,848)
Other comprehensive income:			
Net gain/(loss) on revaluation of non		-	-
Net gain/(loss) on revaluation of financial		-	-
Total other comprehensive income/(loss) for		-	-
Total comprehensive income/(loss) for the		10,077	(50,848)
Profit/(loss) attributable to members of		10,077	(50,848)
Total comprehensive income/(loss)		10,077	(50,848)

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

STATEMENT OF FINANCIAL POSITION  
AS AT 30TH JUNE 2017

	Note	2017 \$	2016 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash		66,804	63,539
Receivables		58,945	50,793
Other		3,980	3,999
<b>TOTAL CURRENT ASSETS</b>		<u>129,729</u>	<u>118,331</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		6,858	13,774
Intangibles		26,882	40,625
<b>TOTAL NON-CURRENT ASSETS</b>		<u>33,740</u>	<u>54,399</u>
<b>TOTAL ASSETS</b>		<u><u>163,469</u></u>	<u><u>172,730</u></u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable		71,910	82,987
Provisions		16,974	25,235
<b>TOTAL CURRENT LIABILITIES</b>		<u>88,884</u>	<u>108,222</u>
<b>TOTAL LIABILITIES</b>		<u><u>88,884</u></u>	<u><u>108,222</u></u>
<b>NET ASSETS (LIABILITIES)</b>		<u><u>74,585</u></u>	<u><u>64,508</u></u>
<b>EQUITY</b>			
Issued capital		744,909	744,909
Accumulated losses		(670,324)	(680,401)
<b>TOTAL EQUITY</b>		<u><u>74,585</u></u>	<u><u>64,508</u></u>

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

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

	Issued Capital Ordinary \$	Accumulated Losses \$	Total \$
<b>Balance at 1 July 2015</b>	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	-	-	-
<b>Subtotal</b>	744,909	(680,401)	64,508
Dividends paid or provided for	-	-	-
<b>Balance at 30 June 2016</b>	744,909	(680,401)	64,508
<b>Balance at 1 July 2016</b>	744,909	(680,401)	64,508
Profit/(Loss) attributable to members of the entity	-	10,077	10,077
Total other comprehensive income for the year	-	-	-
Shares issued during the year	-	-	-
<b>Subtotal</b>	744,909	(670,324)	74,585
Dividends paid or provided for	-	-	-
<b>Balance at 30 June 2017</b>	744,909	(670,324)	74,585

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

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30TH JUNE 2017

	2017 \$	2016 \$
<b>Cash Flows from Operating Activities</b>		
Receipts from Franchise	599,603	556,258
Payment to Suppliers and Employees	(596,861)	(575,164)
Interest Received	-	1,168
Other Receipts (Payables)	523	1,589
	<hr/>	<hr/>
<b>Net cash provided by (used in) operating activities</b>	3,265	(16,149)
	<hr/>	<hr/>
<b>Cash Flows from Investing Activities</b>		
Payment for Leasehold Improvements	-	-
Payment for Office Equipment	-	-
	<hr/>	<hr/>
<b>Net cash provided by (used in) investing activities</b>	-	-
	<hr/>	<hr/>
<b>Cash Flows from Financing Activities</b>		
Payment of Franchisee Instalments	-	(27,485)
	<hr/>	<hr/>
<b>Net cash provided by (used in) financing activities</b>	-	(27,485)
	<hr/>	<hr/>
<b>Net increase (decrease) in cash held</b>	3,265	(43,634)
<b>Cash at Beginning of Year</b>	63,539	107,173
	<hr/>	<hr/>
<b>Cash at end of year</b>	66,804	63,539
	<hr/> <hr/>	<hr/> <hr/>

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

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

	2017	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 2017.

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.

**2 REVENUE AND OTHER INCOME**

Revenue:		
Commission Income	607,016	559,281
Other Income:		
Interest Income	-	1,073
Government Apprentice Incentives	-	2,250
	<hr/>	<hr/>
Total Other Income	-	3,323
	<hr/>	<hr/>

**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**

There is currently an investigation being conducted by Bendigo and Adelaide Bank, related to the loans approved by the Bank Manager, which were made outside of approved banking procedures. The Manager resigned in late 2016. The outcome of the investigation, including any financial implications for the company, will not be known until October 2017.

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 2017:

- (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 2017 and has been derived from and is consistent with the full financial report of Bexley Financial Services Limited.

Director



.....  
Ralph Kooi

Director



.....  
Michael Price

Dated this 28th day of September 2017



# INDEPENDENT AUDIT REPORT

TO THE MEMBERS OF

BEXLEY FINANCIAL SERVICES LIMITED

A.B.N. 37 105 775 844

## Report on the Audit of the Financial Report

### *Opinion*

The concise financial report, which comprises of the statement of financial position as at 30th June 2017, 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, are derived from the audited financial report of Bexley Financial Services Limited for the year ended 30 June 2017.

### *Basis for Qualified Opinion*

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.

In our opinion, except for the effects on the concise financial report of the matter referred to in the qualification paragraph, the accompanying concise financial report, including the discussion and analysis, is consistent, in all material respects with the audited financial report, in accordance with AASB 1039: Concise financial reports and the Corporations Act 2001.

### *Concise Financial Report*

The concise financial report does not contain all the disclosures required by the Australian Accounting Standards applied in the preparation of the audited financial report of Bexley Financial Services Limited. Reading the concise financial report and the auditor's report thereon, therefore, is not a substitute for reading the audited financial report and the auditor's report thereon. The concise financial report and the audited financial report do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial report.

### *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.

### *The Audited Financial Report and Our Report Thereon*

We included the above qualification paragraph in our audit opinion on the audited financial report in our report dated 28th September 2017.

### *Directors' Responsibility for the Concise 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.

INDEPENDENT AUDIT REPORT

TO THE MEMBERS OF

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

*Auditor's responsibility*

Our responsibility is to express an opinion on the concise financial report is consistent, in all material respects, with the audited financial report based on our procedures, which were conducted in accordance with Auditing Standard ASA 810: Engagements to Report on Summary Financial Statements.



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

Name of Firm: Partlett, Chave & Rowland  
Chartered Accountants

Address: Level 9  
75 King Street  
Sydney NSW 2000

Dated this 28th day of September 2017



Bexley **Community Bank**<sup>®</sup> 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](http://www.bendigobank.com.au/bexley)  
(BMPAR13160) (11/13)

Bexley **Community Bank**<sup>®</sup> Branch