

Annual Report 2019



OUR PURPOSE

We will contribute to the growth and prosperity of our communities.

OUR VALUES

Exceptional customer service with integrity and passion for community.

Contact us:

Buninyong & District Community Bank

401B Warrenheip St, Buninyong VIC 3357

Ph: (03) 5341 8066

www.buildingbuninyongcommunity.com.au

www.facebook.com/Buninyong-District-Community-Bank-Branch

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OUR PEOPLE

Our dedicated
branch staff



Randall Dreger
Branch Manager
Business Lending



Pedita Van Hees
Customer Relationship Officer
Consumer Lending



Peita McNaught
Customer Relationship Officer
Consumer Lending



Wendy Vandeven
Customer Relationship Officer
Account Transactions



Jenny Murphy
Customer Service Officer
Account Transactions



Narelle Tatt
Customer Service Officer
Business & Personal Accounts



Annabell Goodall
Customer Service Officer
Account Transactions



Lea Mullins
Customer Relationship Officer
Account Opening & Insurance

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Chairman's Report

- Ian J Corcoran

It gives me great pleasure to report on another year of strong growth in both business and Community Investment. I would like to thank our Branch staff, ably lead by Manager Randall Dreger, and our dedicated Board of voluntary directors, for their dedication to the role of community building and for their commitment and strong alignment to our vision, mission & culture. It is such an important part of driving our continued success.

We are very proud to deliver on the Community Bank purpose of "Building our community" and record levels of Community Investment. We live the mantra of "feeding into prosperity and not off it" and our leadership in this space is being rewarded by a strong growth in our customers' trust and creation of strong business growth.

Business Performance:

The following table summarises the continuing positive growth trends across our business, and the resulting impact on our communities and shareholders. New customer numbers and number of accounts continue to grow at a healthy rate, whilst income margins and underlying cost structures remain stable.

Measure	2019	2018	2017
Profit before community investment	\$387,423	\$312,870	\$157,949
Community investment (donations, grants, sponsorships)	\$233,377	\$184,663	\$67,600
Profit before tax	\$154,046	\$128,207	\$90,349
Net income	\$106,763	\$87,181	\$22,472

Indicator	2019	2018	2017
Total equity	\$630,874	\$572,540	\$519,951
Return on equity	17%	15%	%4
Earnings per share	15.43c	12.60c	3.25c
Shareholder dividend	8.0c	7.0c	5.0c

Community Investment:

The three key strategic pillars of Youth, Environment and Society are a true representation of the strategic thinking that underpins our community investment. The 2019 year has seen us drawn towards projects focussed on environmental causes serving to achieve carbon neutral outcomes. I welcome this move for the balance it brings to our three strategic pillars and the additional opportunity to deliver outcomes benefitting the whole of community.

We believe an increasing level of community investment driven by increasing profitability is paramount in delivering the real community dividend of a stronger, thriving, more resilient community. The Community Investment theme is explored in more detail in following pages.

Staff & Board Culture:

Our business success can be attributed in part to a culture aligning branch and board members working in the best interests of our customer in every single decision that we make. This culture, which has become the lived experience of our staff, puts customer needs

above financial return at every point, and sets us apart from others in the financial services industry exposed by the Hayne Royal Commission, for whom exploitative practices and hubris were unfortunately the norm.

Directors:

The welcome addition of the three new female directors in Jo Innes, Andrea Mason and Samantha Elshaug has borne fruit with each of the new directors making valuable contributions to the Board. Andrea's environmental pedigree has put us in touch with projects and opportunities never before seen. Jo's human resource expertise in risk & governance has made an enormous difference to this aspect of the business. Sam's project management, marketing expertise and strategic mindset has contributed greatly to discussions around the Board table. The balance that exists within our Board certainly highlights the benefits to be derived from gender diversity.

Dividend:

Your Board is pleased to advise that we are declaring a fully franked dividend of eight cents per share, up from seven cents last year.

Board & branch staff changes:

This year we introduced professional Company Secretary, Robert Tommasini to the Board. His impact has been an immediate strengthening of Board operations and governance structures, compliance reporting and regulatory and legal knowledge. We welcome Robert and look forward to his on-going contribution.

Community House:

The rebuild of our Community House at 407 Warrenheip St should be well under way as we go to print. Its purpose can always be interpreted as a tangible demonstration of our commitment to building community. We see it as a prime example of "Doing the MOST amount of good" with the money we have. It exists for the community's use to bring people together in a place they can call their own. We look forward with great anticipation to its re-birth, bigger and better with expanded capabilities in 2020.

The Future:

The present economic outlook remains uncertain, with many elements beyond the control of our board; indeed, of our Government. Digital disruption of business continues apace, and world-wide there is a deficit in trust in institutions. These "headwinds" notwithstanding, we are planning for growth in both staffing and capability, and growth in our business portfolio. This financial year will see us broaden our already strong engagement with Federation University, and widen the scope of our provision of banking services, and of our community investment.

Thanks to the positive connections we have been able to build across our communities, and to the strong engagement with and support of our customers, we had had another positive 12 months. Our branch team my fellow directors and I again commit to the realisation of our shared value business model in our surrounding communities.

Manager's Report

- Randall Dreger

Once again, we have had a remarkably successful year of growth, profit and impact. I attribute this success to the staff and directors working together towards our collaborative vision of contributing to the growth and prosperity of our community.

I would like to extend my great appreciation to all our staff and volunteers for making this vision a reality.

Our business is run with a "customer first" ethos. This strategy drives our culture and makes Buninyong & District Community Bank Branch a delightful place to do one's banking. Our focus is to deliver tailored solutions that meet our customers' needs according to their requirements.

Although many individuals in our community understand the benefits of Community Banking, there is still a large proportion that haven't recognised our impact. Our biggest challenge is to effectively tell our story to the wider community of the positive effects we are having on our youth, our environment and our society. Not only do we have great products, competitive pricing and excellent customer service but when we combine our stories together with these things, the choice to bank with the Buninyong Community Bank Branch becomes obvious.

This is where I need your assistance. The following few pages have been designed to highlight some of our stories and the impact that we are having on our community. Please read them and be excited at what we are achieving together. Then share this report and these stories within your networks and community groups so that the true benefits of Community Banking can be understood by everyone.

We are confident that as more people grasp a hold of the wonderful work we are accomplishing, our community will continue to flourish, and our impact will continue to expand. It is a beautiful positive feedback loop that is gaining momentum year on year. Everyone is invited and no one should miss out because they haven't been told.

Go tell it on the mount!

Bendigo Adelaide Report

- Mark Cunneen

As a bank of 160-plus years, we're proud to hold the mantle of Australia's fifth biggest bank. In today's banking environment it's time to take full advantage of this opportunity and for even more people to experience banking with Bendigo Bank and our way of banking, and with our Community Bank partners.

In promoting our point of difference it's sometimes lost that although we're different, we're represented in more than 500 communities across Australia and offer a full suite of banking and financial products and services. In many ways we're also a leader in digital technology and meeting the needs of our growing online customer base, many of whom may never set foot in a traditional bank branch.

At the centre of our point of difference is the business model you chose to support as a shareholder that supports local communities. Whether you're a shareholder of our most recent Community Bank branch which opened in Smithton, Tasmania, in June 2019, or you're a long-time shareholder who, from more than 20 years ago, you all play an important role. Your support has enabled your branch, and this banking model, to prosper and grow. You're one of more than 75,000 Community Bank company shareholders across Australia who are the reason today, we're Australia's only bank truly committed to the communities it operates in.

And for that, we thank you. For the trust you've not only put in Bendigo and Adelaide Bank, but the faith you've put in your community and your Community Bank company local board of directors.

Bendigo and Adelaide Bank continues to rank at the top of industry and banking and finance sector awards. We have awards for our customer service, we have award winning products and we have a customer base that of 1.7 million-plus that not only trusts us with their money, but which respects our 'difference'.

As a Bank, we're working hard to ensure that those who are not banking with us, and not banking with your Community Bank branch, make the change. It really is a unique model and we see you, the shareholder, as playing a key role in helping us grow your local Community Bank business. All it takes is a referral to your local branch manager. They'll do the rest.

We find that our customer base is a very loyal group. It's getting people to make the change that's the challenge. In today's environment, we've never had a better chance to convince people to make the change and your support in achieving this is critical.

From Bendigo and Adelaide Bank, once again, thank you for your ongoing support of your Community Bank branch and your community.

We would also like to thank and acknowledge the amazing work of your branch staff and directors in developing your business and supporting the communities that you live and work in.

EMPOWERMENT

**Financial inclusion
and participation**

BUILDING

**Building 21st century
communities**

INVESTMENT

**Investing in AND for
future generations**

Community Investments

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Community Investment

- Stephen Falconer

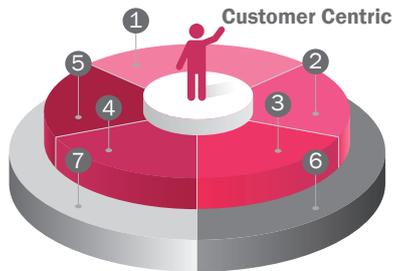
1. The Inputs to Creating Value

Community Investment

Community investments is the visible demonstration of our company’s purpose: to contribute to the growth and prosperity of our communities. Utilising a “social licence¹” granted by society, profit from Community Banking business is “invested” (returned to) communities addressing disruption arising from today’s life, providing opportunities for communities to fulfil their potential.

Capitals.

All businesses use many forms of capital, but regularly report on only one, “return on investment” referring to return on financial capital. Shared Value² for Community Bank stakeholders (feeding into community prosperity, not off it³), arises from appropriate deployment at the Community Bank branch of human, social, financial, manufactured and intellectual capitals⁴ in a customer centric model.



① Human Capital

Our key asset; 2018/19 8 branch employees and 10 voluntary directors and their shared “customer first” culture.

② Social Capital

Relationships with our communities and customers, Bendigo Bank, collaboration across the national Community Bank network.

③ Financial Capital

\$679,000 working capital raised from 250 local shareholders, operating profit and zero debt.

④ Intellectual Capital

Access to Bendigo Bank brand, products and marketing, and the innovation capabilities of our people.

⑤ Manufactured Capital

Access to Bendigo Bank APRA Licence and Treasury, a leased branch & equipment, and owned Community House.

Deployment of these capitals is driven by an understanding of our broad societal responsibilities, our stakeholder values, and by the issues in our own external environment.

⑥ Stakeholder Values

Excellent customer service, compliance & security, integrity, diversity, community building, stability, trust and convenience.

⑦ External Environment Issues

Youth affairs, mental health, climate change, equality, societal responsibility, indigenous reconciliation, digital disruption, compassion.

The UN Sustainable Development Goals

The United Nations Sustainable Development Goals (SDGs)⁵ are the globally adopted blueprint to address the challenges we all face, including those related to inequality, climate, environmental degradation, prosperity, and peace and justice.

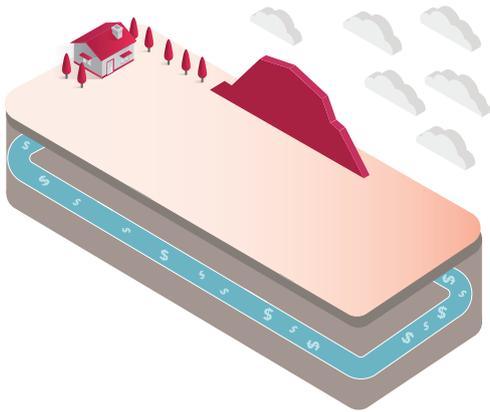


The 17 interconnecting SDGs are a reference framework helping us develop strategy and measure & report outcomes against broad societal sustainability goals.

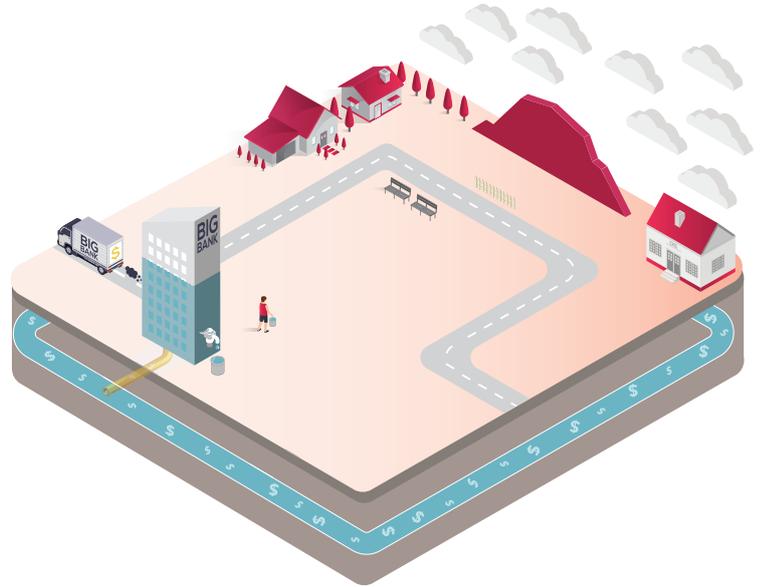
We acknowledge we are part of a world where many resources and relationships contribute to our company’s impacts and value creation. Acknowledging this connectivity enables us to develop our value creation strategies, and to better report our impact. As our activities evolve, our future reporting practices will transition towards a fully Integrated Report⁶.

2. Our Shared Value Creation Business Model

Imagine that the resources of the banking, superannuation and financial services industry is a vast, underground stream of cash, out of reach to many.



Next, imagine a community with a “big bank” providing a community access to some of that cash, but retaining many of its benefits for itself and its shareholders.



Finally, imagine that same community, this time empowered by the opportunities which flow from having a community owned Community Bank Branch in its midst. A customer centric banking service helps sustain the community, and its profits are not exported to big bank employees and shareholders, but are widely distributed in community building projects.



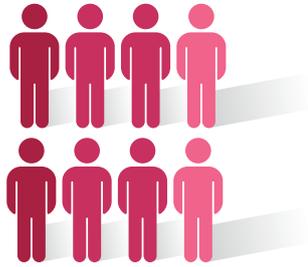
Community Investment Cont.

- Stephen Falconer

3. Outputs and Results 2018/19

3,647 Customers, 8% up on Last Year

Word is spreading; our customer centric banking service continues to attract new customers who recognise how bringing their banking to Community Bank supports their community.



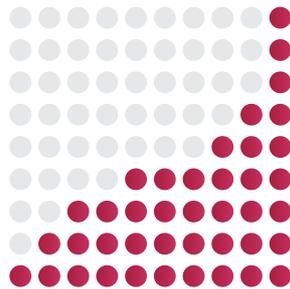
64 Projects, 9% up on Last Year

As our profit grows, so does our impact. This year, 64 projects across our communities have benefited from the investment of our profits in their community building activities.



Investments of \$233,000 26% up on Last Year

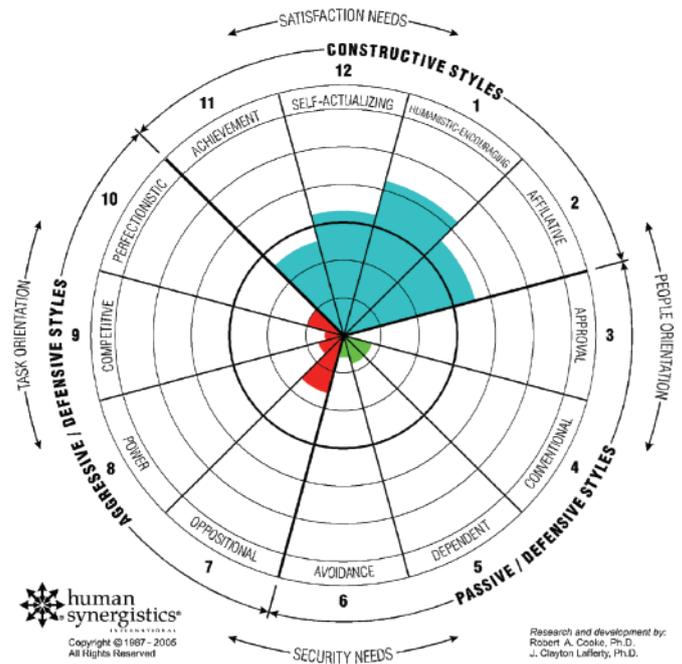
As the number of projects grows, so does the value. This year, a record \$233,000 (to a cumulative \$860,000) contributes to SDGs in our strategic areas of Youth, Environment and Society (YES).



Nurturing Culture

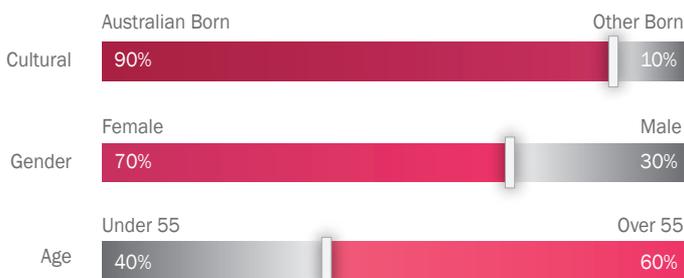
We are creating and nurturing a collaborative, customer centric culture fostering our Human, Social and Intellectual capitals.

Surveys⁷ reflect our development of a people oriented constructive culture. Better, our growth and retention of customers confirms we are on the right path.



Recognise & Value Diversity

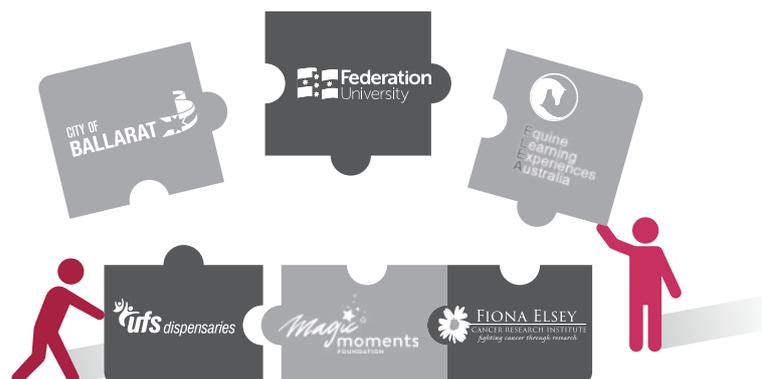
During the year our goal to reflect, in our Human Capital, the diversity of culture, gender and age of the communities we serve has progressed.



Diversity Status in 2019

Partnering for Greater Impact

An important enabler of our business model is our ability to create enduring partnerships with other organisations. Here are some examples.



4. Impacts 2018/19

Community Bank activities underpin the development of sustainable societies. Creating shared value enables us to change, and to support others who change, people's lives forever.

Unfortunately a world-wide climate of disruption and growing distrust in institutions impacts negatively on society⁸. Through 64 projects during 2018/19, our community building philosophy invests in and for future generations, helps to combat distrust, climate change impacts, embraces financial empowerment and participation, helps communities to thrive in the turbulent 21st century.

Youth:

Assist, guide and support tomorrow's parents and community leaders.

Our 26 youth projects this year include: Upstart High School challenge for budding entrepreneurs, Equine Therapy for young people living with trauma, Magic Moments Foundation future leaders camp, Maestro & Me and Music on the Mount program for primary school students, Young Parents program, City of Ballarat Youth Awards sponsorship etc.



Environment:

Look after where we live, and preserve it for the future.

Our 11 environment projects this year include: Ag Sciences scholarships at Federation University, solar panels on Sebastopol Men's Shed, investigation into community energy hub with Fed Uni, disaster relief contributions around Australia, school building restoration & playground infrastructure projects, main sponsor Buninyong Smart Building & Living Expo, support of 5 community associations etc.



Society:

Contribute to a positive transformation of society.

Our 27 society projects this year include: Sponsorship of programs at 10 local area sports clubs, support for Fiona Elsey Research Institute tissue bank program, support for Youth Detention Centre education programs, support of 5 community service clubs, film and community festivals sponsorship etc.



Community Investment Cont.

- Stephen Falconer

5. Nine Years Creating and Sharing Value. Supporting Sustainable Communities

The Community Bank Business Model creates shared value for all stakeholders – community, customers, shareholders, employees and the environment.

Each Community Bank is a franchise of Bendigo Bank⁹, and the company operating the franchise in town is owned by the members of the local community.

In stark contrast to the exploitative practices and hubris of big banks exposed by the Hayne Royal Commission¹⁰ (commerce without morality¹¹), directors of our Buninyong community owned company are voluntary, working not in their own interests or for the benefit of remote head offices and investment funds, but in the interests of creating shared value for their community.

Value Creation

Our investments in community building of course have a measureable \$ value, an “exchange value”. But they also have a value of a completely different kind. As our profit are invested into communities we see transformation, growth, a flourishing of hope and opportunity.

And not just in one place or for an individual. Each investment, by virtue of its community focus, has a beneficial multiplying effect on others, as it ripples across the community. Pretty soon, the lives of hundreds, thousands of people have been impacted positively by our community investments. We’ve transformed the basic, commodity-like “exchange value” of money into something infinitely more valuable.

Community Banking has reimagined, transformed the exchange or transactional value of money into the more valuable “experiential value”¹², with its endless ripples of impact across society.

One very good example of this is the Men’s Shed. Suppose we invest a few thousand to help them out. OK so far, a “transaction”. But then say that money is spent on solar panels for the roof to generate electricity, so the environment wins, and costs go down. So, more men can engage in potentially life changing fellowship, and these men go on to build playground infrastructure for the local primary school, so the kids have a healthier school. And so on; the ripple effects of the “experiential value” of money brought about by Buninyong Community Bank customers!

We are not waiting for “them” (other people, Governments) to fix things. We continue to believe that communities can be transformed by the human values of the people within. We stand for helping those communities – through our compassion driven ethic¹³ of community investment we can provide the seed capital for a project or the small assistance needed to achieve improvement or change, and to flourish. This is the way we are able to contribute to the achievement of the UN’s Sustainable Development Goals.

Our Community Investment Strategy focuses on 3 main interconnecting areas – Youth, Environment, and Society (Y.E.S.). Here’s why:

Youth

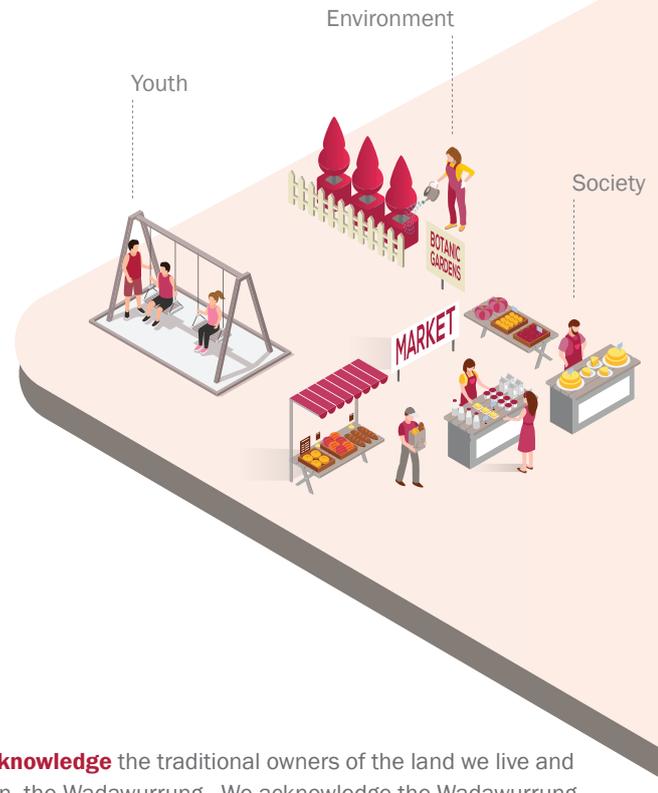
The young people of today are tomorrow’s parents and community leaders – as responsible corporate and community citizens we should assist and guide them, and support them when contemporary lifestyle issues have an unhealthy influence on them or their families.

Environment

Our home, our planet, is being rapidly degraded. It makes sense to look after our home, and it is our mutual duty to future generations to act to reduce our impact on nature.

Society

“We are caught in an inescapable network of mutuality. Whatever affects one directly, effects all indirectly”.¹⁴ With that in mind, we believe that our modest contributions to the development of “society” can have a cumulative effect for positive transformation.

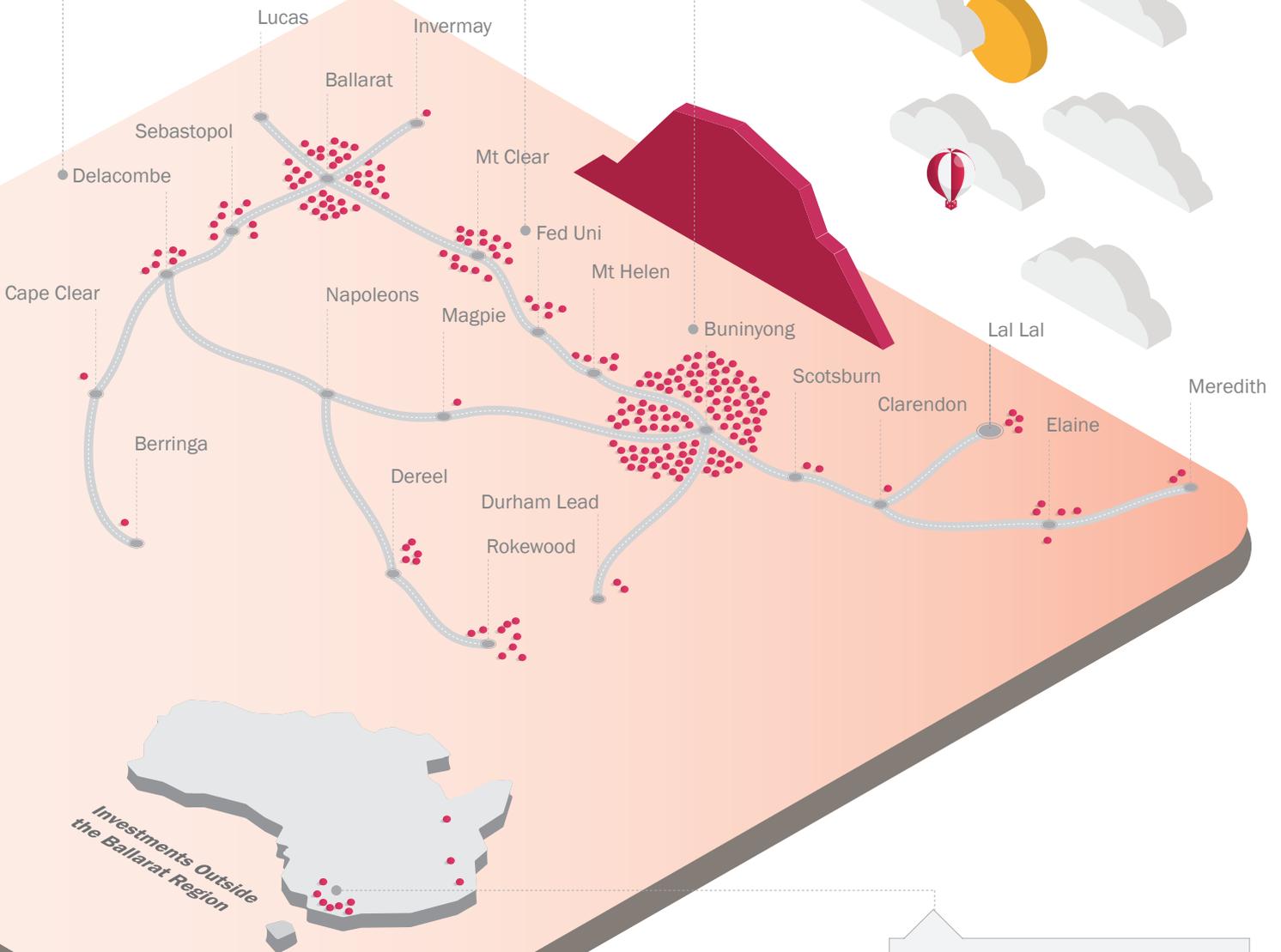


We acknowledge the traditional owners of the land we live and work on, the Wadawurrung. We acknowledge the Wadawurrung elders, past, present and emerging and their culture which has nurtured this land for tens of thousands of years.

Supporting school age mothers aged 14 - 21 through the **Yuille Park Young Parents program** helps students to re-engage with learning, transitioning into work and further education, helping build resilience and independence.

Our partnership with **Federation University** is also an experiential value enabler. Funding for scholarships, research and the like bring multiple societal values far beyond the transactional value, supporting achievement of SDGs. Integrating their community with ours.

Thanks to the trust of our customers and subsequent business growth, **Buninyong Community Bank** has become a flourishing shared value enterprise⁴¹, proof that it is possible for business to act in the best interests of society and stakeholders.

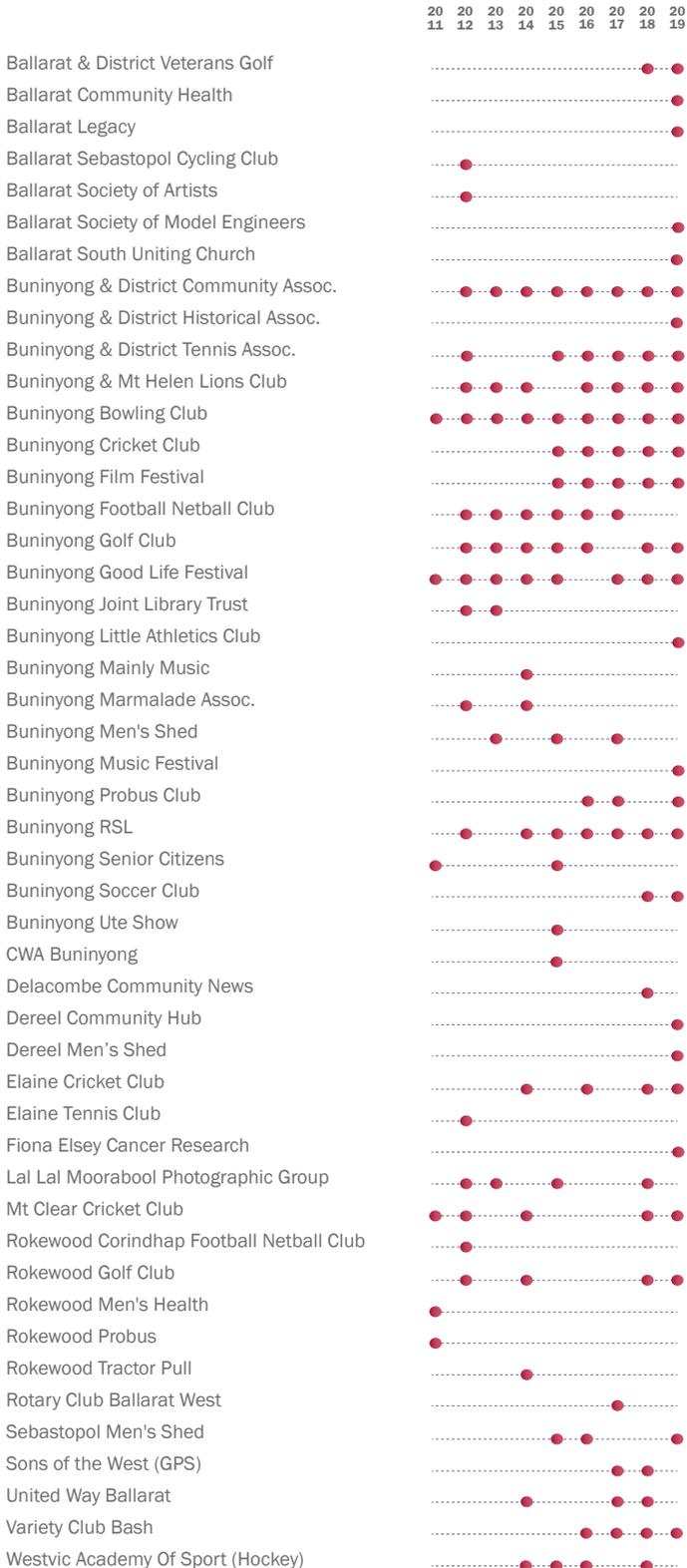


All other investments aside from Malmesbury were disaster relief.

In partnership with several other Community Banks, our funding of a Youth Worker in the Victorian Youth Justice precincts of Parkville & Malmesbury helps young offenders learn new skills and find an alternative life course.

Society

Contribute to a positive transformation of society.



Buninyong Cricket Club

Buninyong Cricket Club has a refreshing philosophy (aligned to Community Bank values) about kids in cricket, focused on building community and culture by encouraging participation. Our long term sponsorship of their junior development program provides coaching, equipment, insurance etc. free of cost to kids and parents, designed to grow participation in team sports. Results are outstanding: very strong junior growth, new girls teams, (juniors now outnumber seniors) family engagement is up, gender diversity is up. Building stronger communities.



Men's Sheds

The Men's Shed movement is a powerful tool in addressing men's health and wellbeing, helping men to remain or become valued and productive members of our community. Sheds support good mental and physical health, enabling men to connect with friends, maintain an active body and mind, and make an active contribution to community. Since 2013, Buninyong Community Bank has contributed funding to Sheds in Buninyong, Dereel and Sebastopol in support of their important community strengthening activities.



Fiona Elsey Cancer Research Institute (FECRI)

FECRI is a Ballarat based, non-Government funded bio-medical research facility working to identify causes of cancer and looking to translate these discoveries into new ways to diagnose, treat and prevent cancer. Their endeavour focuses on immunotherapy initiatives, rather than chemo or radiotherapy, to empower the immune system to fight disease and cancer. Together with other Community Banks in our region, we are supporting their efforts in the hope of significant future breakthroughs, which will impact the lives of millions.

Notes to the Community Investment Report

- Stephen Falconer

1. For an interesting take on social licence and banks, see Tim Costello's book "A Lot with a Little"

2. See Michael Porter & Mark Kramer, Harvard Business School,
<https://www.hbs.edu/faculty/Pages/item.aspx?num=39071>

3. Rob Hunt, former Bendigo & Adelaide Bank Managing Director, founder of the Community Bank model

4. For discussion on the various capitals, see the International Integrated Reporting Council (IIRC) "Capitals Background paper"
<https://www.integratedreporting.org/wp-content/uploads/2013/03/IR-Background-Paper-Capitals.pdf>

5. Adopted by all UN member states in 2015. For information about, and a report on global progress, the UNs SDGs can be found at
<https://www.un.org/sustainabledevelopment>. The Australian Government's first SDG report (2018) is at
<https://dfat.gov.au/news/news/Pages/australias-first-report-on-the-sustainable-development-goals.aspx>

6. Reporting disciplines are evolving from historical forms to more fully embrace an enterprises activities, its impact on environment and society, and the creation (or destruction) of value. See GRI and IIRC for explanation of Integrated Reporting (IR) at <https://www.globalreporting.org>

7. Information about the survey principles and method we used can be found at
<https://www.human-synergistics.com.au/>

8. For global trends in trust, see Edelman Trust barometer at
<https://www.edelman.com/trust-barometer>

9. See Bendigo Bank website
<https://www.bendigobank.com.au/community/community-bank>

10. Full submissions and reports on the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry, see
<https://financialservices.royalcommission.gov.au>

11. This idea comes from a 1925 Mahatma Gandhi publication on the conduct of individuals in society, the "Seven Social Sins".

12. Yanis Varoufakis' excellent book "Talking to my Daughter about The Economy" is a fascinating exploration of this, and other themes around the economy and how capitalism is evolving.

13. To explore the compassion concept more fully, see Daniel Coleman's book "A Force for Good, the Dalai Lama's Vision for our World".

14. To better understand the philosophies of Martin Luther King, see "To the Promised Land – Martin Luther King and the fight for economic justice" by Michael K. Honey

Directors'
Report
2019

Directors' Report

- Ian J Corcoran

The Directors present their report of the company for the financial year ended 30 June 2019.

Directors

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

Name and position held	Qualifications	Experience and other directorships
Ian J. Corcoran Chairman Board member since 2012	Dip Bus (Acc), GAICD	Retired McDonalds Licensee Director United Way Ballarat Former Director North Ballarat Sports Club Chair Collaborative Marketing Fund - Ballarat & Wstn Vic Former member Rotary Club of Ballarat
Richard G. McDowell Director Board member since April 2016	Dip Bus (Acc), FCA, CTA, MAICD	Semi-retired Chartered Accountant over 40 years practice Retired director Victorian Water Industry over 20 years Director/Treasurer Buninyong Golf Club, Ballarat West Rotary and Ballarat Swap Meet Director 6 Small/Medium Businesses
Stephen J. Falconer Director Board member since 2009		Retired global auto components business CEO. Responsibility for sales, marketing and business development (both within Australia and Internationally).
Ronald L. Delaland Director Board member since 2009		Director Delaland Holdings Owner/Local Trader - Buninyong Newsagency Buninyong Golf Club - President and Committee roles
Garry D. Trotter Director Board member since 2009	BAppSc, BSc Psych (Hons), Grad Dip Occ' Psych	Partner - SED Advisory: Leadership & Culture Divisional Manager - UK Manufacturing Organisation School Council President (Buninyong) School Council Member
Amber J. Balazic Director Board member since 2012 Resigned - January 2019	BBus (Acc), Ass. Dip Bus (Acc), Reg. BAS Agent	Accountant (~9yrs) Book Keeping Business (~11yrs) Senior Accounts Payable Officer at Federation University
Lydia Mzondo Director Board member since 2017	Msc Infor. Systems, PMI Project Manager	8 Years in IT and Project Management Past Director of Ballarat African Assoc.
Andrea Mason Director Board member since 2018	BAppSc, Cert IV Training & Assessment	Director of Finding North - Aspects of Sustainability Chair of Australian Landcare Int. Board Member of Buninyong Landscape Alliance
Sam Elshaug Director Board member since 2018	BMgt (Marketing) Dip Project Management GAICD	Marketing & Development Manager at UFS Dispensaries Business Development Project Manager at UFS Dispensaries
Jo Innes Director Board member since 2018	Adv Dip Bus. Man. Adv Dip HR AHRI	HR Practioner with over 22 years HR and Business Management experience
Robert Tommasini Company Secretary Appointment since 2019	LLB, GAICD	Director/Secretary of Western BACE Ltd Director/Secretary of Fiona Elsey Cancer Research Inst.

	Board Meetings		Audit committee meetings	
	A	B	A	B
Richard McDowell	11	10	2	2
Steve Falconer	11	10	N/A	N/A
Ron Delaland	11	10	N/A	N/A
Garry Trotter	11	8	N/A	N/A
Amber Balazic	5	4	N/A	N/A
Ian Corcoran	11	11	N/A	N/A
Lydia Mzondo	11	11	N/A	N/A
Andrea Mason	11	10	N/A	N/A
Sam Elshaug	11	8	N/A	N/A
Jo Innes	11	10	N/A	N/A
Robert Tommasini	4	4	N/A	N/A

A - The number of meetings eligible to attend.

B - The number of meetings attended.

N/A - not a member of that committee.

Company Secretary

Robert Tommasini was appointed as Company Secretary in March 2019, taking over from Lydia Mzondo. Robert is an experienced self employed governance consultant and holds a law degree.

Principal activities

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

The Company owns a house at 407 Warrenheip Street Buninyong. The Company intended to make the house available for use by the community as a Community House for youth and community groups to further their and the community's interests. During the year ended 30 June 2017, the building was deemed unfit for use or repair and as a result the recognised value of this house was impaired back to its land value. Currently, the building is under demolition and a rebuild is being contracted.

There has been no other significant changes in the nature of these activities during the year.

Review of operations

The profit/(loss) of the company for the financial year after provision for income tax was \$106,763 (2018 profit: \$87,181), which is a 22% increase as compared with the previous year.

The net assets of the company have increased to \$630,874 (2018: \$572,540).

Dividends

Dividends paid or declared since the start of the financial year.

A fully franked final dividend of 7 cents per share was declared and paid during the year for the year ended 30 June 2019. A fully franked dividend of 8 cents per share has been proposed for the year ended 30 June 2019 and is anticipated to be paid during the year ending 30 June 2020 from the dividend reserve.

Options

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

Significant changes in the state of affairs

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

Events subsequent to the end of the reporting period

No matters or circumstances have arisen since the end of the financial year that significantly affect or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company, in future financial years.

Likely developments

The company will continue its policy of providing banking services to the community.

Environmental regulations

The company is not subject to any significant environmental regulation.

Indemnifying Officers or Auditor

The company has agreed to indemnify each Officer (Director, Secretary or employee) out of assets of the company to the relevant extent against any liability incurred by that person arising out of the discharge of their duties, except where the liability arises out of conduct involving dishonesty, negligence, breach of duty or the lack of good faith. The company also has Officers Insurance for the benefit of Officers of the company against any liability occurred by the Officer, which includes the Officer's liability for legal costs, in or arising out of the conduct of the business of the company or in or arising out of the discharge of the Officer's duties.

Disclosure of the nature of the liability and the amount of the premium is prohibited by the confidentiality clause of the contract of insurance. The company has not provided any insurance for an Auditor of the company.

Proceedings on behalf of company

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

Auditor independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set at page 5 of this financial report. No Officer of the company is or has been a partner of the Auditor of the company.

Remuneration report

Remuneration policy

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

Directors' Report Cont.

- Ian J Corcoran

Remuneration benefits and payments

Director Amber Balazic received \$4,520 (2018: \$5,760) in relation to her role as Company Bookkeeper until her resignation in January 2019; Robert Tommasini (whilst not a Director) has received \$1,750 payment for Company Secretary duties under his contract.

No other Director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company, controlled entity or related body corporate with a Director, a firm which a Director is a member or an entity in which a Director has a substantial financial interest. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by Directors shown in the company's accounts, or the fixed salary of a full-time employee of the company, controlled entity or related body corporate.

The Buninyong & District Financial Services Limited has NOT accepted the Bendigo and Adelaide Bank Limited's Community Bank® Directors Privileges package.

Equity holdings of key management personnel

The number of ordinary shares in the company held during the financial year and prior year by each Director and other key management personnel, including their related parties, are set out below:

Name	Balance at 30 June 2018	Net change in holdings	Balance at 30 June 2019
Directors			
Richard McDowell	1,500	-	1,500
Steve Falconer	15,201	-	15,201
Ron Delaland	28,201	-	28,201
Garry Trotter	1,000	-1,000	-
Amber Balazic	2,201	-	2,201
Ian Corcoran	5,000	-	5,000
Lydia Mzondo	2,701	-2,701	-
Andrea Mason	-	-	-
Sam Elshaug	-	-	-
Robert Tommasini	-	-	-
Jo Innes	-	-	-

Signed in accordance with a resolution of the Board of Directors on 25 September 2019



Ian Corcoran
Chairman

Auditor's Independence Declaration

- MOR Accountants

MOR Accountants
Formerly – Molloy, Orr and Ronan



Chartered Accountants

Ballarat

Cnr Dana & Dawson Streets
Ballarat Vic 3350
Telephone: (03) 5333 3202
Facsimile: (03) 5333 3381

Melbourne

By Appointment
Level 23 Herald Weekly Tower
40 City Road, Southgate Vic 3006
Telephone: (03) 9674 0416

Postal

406 Dana Street, Ballarat Vic 3350
Email: info@mor.net.au

www.mor.net.au

Buninyong & District Financial Services Limited

AUDITORS INDEPENDENCE DECLARATION

To the directors of Buninyong & District Financial Services Limited

As auditor for the audit of Buninyong & District Financial Services Limited for the year ended 30 June 2019, I declare that to the best of my knowledge and belief, there have been:

- No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Buninyong & District Financial Services Limited during the year.

D. G. Abbott
Partner
MOR Accountants, Ballarat
Dated: 25/9/19.

Liability limited by a scheme approved under Professional Standards Legislation

Partners & Directors D.J. Molloy CA | G.L. Orr CA | N.G. Ronan CA | P.R. Hansen CA | J.A. Edgar CA
P.A. White CA | D.G. Abbott CA | S.R. Cartledge CA | S.R. Corbett CA



OUR RESULTS

**Continuous
improvement
reflects growing
community trust**

Financial Statements 2019

Financial Statements

Income Statement

	Note	2019 \$	2018 \$
Revenue	2	1,199,902	1,079,784
Expenses			
Employee benefits expense	3	(494,316)	(462,369)
Depreciation and amortisation expense	3	(27,919)	(31,600)
Finance Costs		(236)	(668)
Administration & General Costs	3	(134,057)	(126,210)
Bad and doubtful debts expense		-	(200)
Information Technology Costs	3	(38,165)	(36,336)
Occupancy - Banking	3	(61,617)	(60,506)
Occupancy - Community House	3	(17,350)	(17,878)
ATM Expense	3	(38,819)	(31,147)
Impairment Expense	7	-	-
Operating profit/(loss) before charitable donations & sponsorships		387,423	312,870
Charitable donations and sponsorships	3	(233,377)	(184,663)
Profit/(loss) before income tax expense		154,046	128,207
Income Tax expense / (benefit)	4	47,283	41,026
Profit/(loss) for the year		106,763	87,181
Other comprehensive income		-	-
Total comprehensive income for the year		106,763	87,181
Profit/(loss) attributable to members of the company		106,763	87,181
Total comprehensive income attributable to members of the company		106,763	87,181
Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the company (cents per share):			
- basic for profit / (loss) for the year	16	15.43	12.60
- diluted for profit / (loss) for the year	16	15.43	12.60

Balance Sheet

	Note	2019 \$	2018 \$
Assets			
Current Assets			
Cash and cash equivalents	5	415,769	426,432
Trade and other receivables	6	117,198	107,668
Current Tax Refundable	4	552	-
Total Current Assets		533,519	534,100
Non-Current Assets			
Property, plant and equipment	7	209,550	222,232
Deferred tax asset	4	26,330	18,173
Intangible assets	8	17,293	30,904
Total Non-Current Assets		253,173	271,309
Total Assets		786,692	805,409
Liabilities			
Current Liabilities			
Trade and other payables	9	71,874	65,778
Current Tax Payable	4	-	80,166
Borrowings	10	-	10,151
Provisions	11	69,343	50,938
Total Current Liabilities		141,217	207,033
Non-Current Liabilities			
Borrowings	10	-	-
Provisions	11	14,601	10,864
Other Payables	9	-	14,972
Total Non-Current Liabilities		14,601	25,836
Total Liabilities		155,818	232,869
Net Assets / (Liabilities)		630,874	572,540
Equity			
Issued capital	12	679,441	679,441
Reserves	14	110,923	52,589
Retained earnings / (accumulated losses)	13	(159,490)	(159,490)
Total Equity		630,874	572,540

Changes in Equity

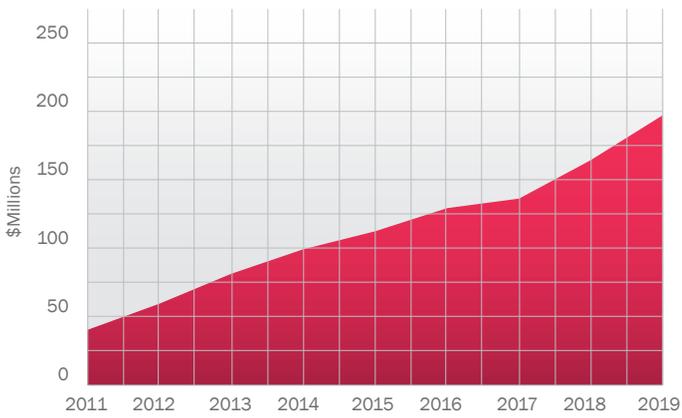
	Note	Issued Capital	Dividend Reserve	Accum. Losses	Total Equity
		\$	\$	\$	\$
Balance at 1 July 2017		679,441		(159,490)	519,951
Total comprehensive income for the year		-	87,181	-	87,181
Dividends paid or provided	22	-	(34,592)	-	(34,592)
Balance at 30 June 2018		679,441	52,589	(159,490)	572,540
Balance at 1 July 2018		679,441	52,589	(159,490)	572,540
Total comprehensive income for the year		-	106,763	-	106,763
Dividends paid or provided	22	-	(48,429)	-	(48,429)
Balance at 30 June 2019		679,441	110,923	(159,490)	630,874

Cashflows from Operating Activities

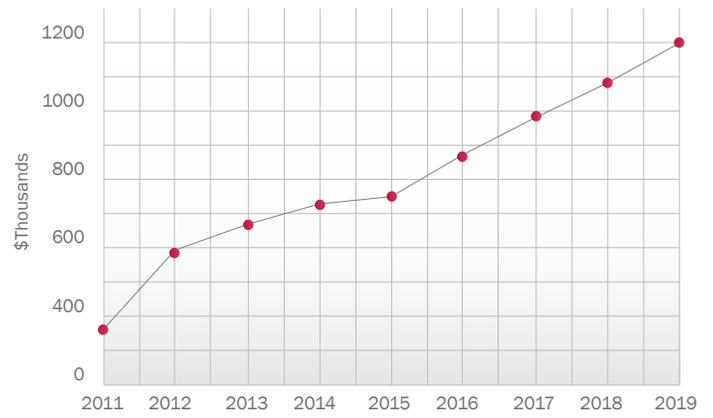
	Note	2019 \$	2018 \$
Receipts from clients		1,300,325	1,167,310
Payments to suppliers and employees		(1,110,986)	(1,014,609)
Interest received		9,157	6,246
Interest paid		(236)	(668)
Income tax (paid) / refunded		(136,158)	(20,564)
Net cash flows from/(used in) operating activities	15b	62,102	137,715
Cash Flows From Investing Activities			
Payments for intangible assets		(13,611)	(13,611)
Purchase of property, plant & equipment		(1,625)	(2,006)
Net cash flows from/(used in) investing activities		(15,236)	(15,617)
Cash Flows From Financing Activities			
Repayment of Borrowings		(10,151)	(4,938)
Dividends Paid		(47,378)	(31,115)
Net cash flows from/(used in) financing activities		(57,529)	(36,053)
Net increase/(decrease) in cash held		(10,663)	86,045
Cash and cash equivalents at start of year		426,432	340,387
Cash and cash equivalents at end of year	15a	415,769	426,432

OUR RESULTS

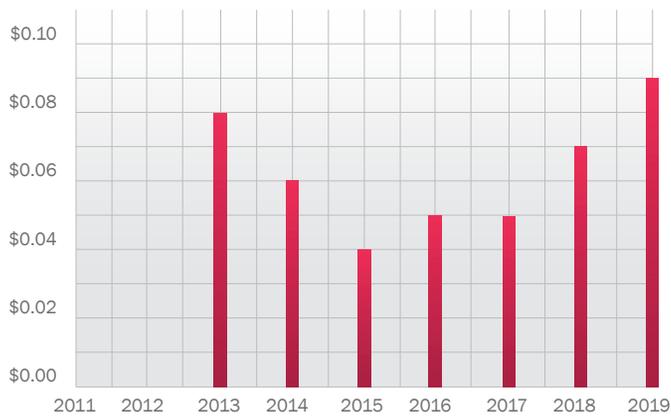
Portfolio



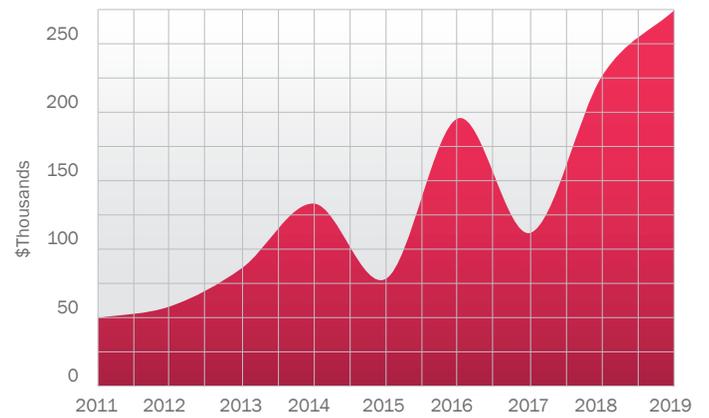
Income



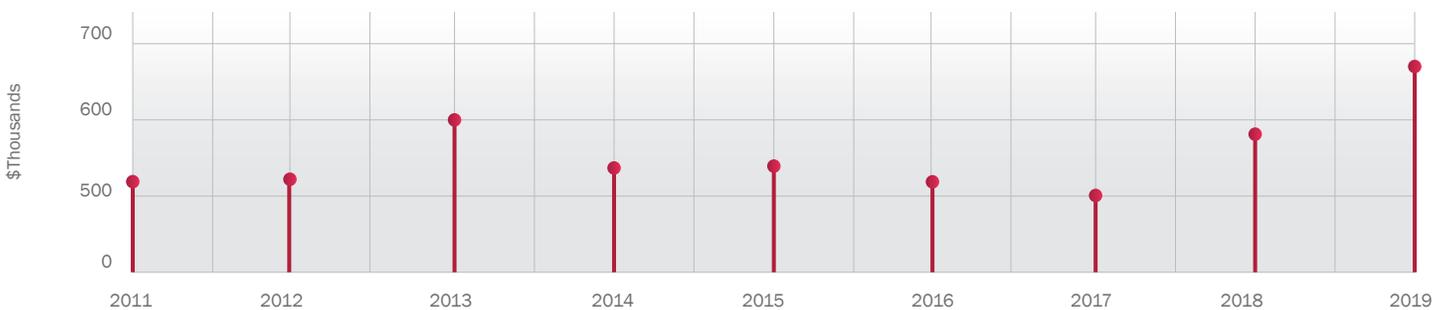
Shareholder Dividend



Community Investment



Net Assets



Notes to the Financial Statements 2019

Notes to the Financial Statements

These financial statements and notes represent those of Buninyong & District Financial Services Limited.

Buninyong & District Financial Services Limited ('the company') is a company limited by shares, incorporated and domiciled in Australia.

1. Summary of significant accounting policies

(a) Basis of preparation

The financial statements were authorised for issue by the Directors on 25 September 2019

Economic dependency

The company has entered into a franchise agreement with Bendigo and Adelaide Bank Limited that governs the management of the Community Bank® branch at Buninyong.

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The company is a for profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non current assets, financial assets and financial liabilities.

The branch operates as a franchise of Bendigo and Adelaide Bank Limited, using the name "Bendigo Bank" and the logo and system of operations of Bendigo and Adelaide Bank Limited. The company manages the Community Bank® branch on behalf of Bendigo and Adelaide Bank Limited, however all transactions with customers conducted through the Community Bank® branch are effectively conducted between the customers and Bendigo and Adelaide Bank Limited.

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

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

- Advice and assistance in relation to the design, layout and fit out of the Community Bank® branch;
- Training for the Branch Managers and other employees in banking, management systems and interface protocol;
- Methods and procedures for the sale of products and provision of services;
- Security and cash logistic controls;
- Calculation of company revenue and payment of many operating and administrative expenses;
- The formulation and implementation of advertising and promotional programs; and
- Sale techniques and proper customer relations.

(b) Income tax

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

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

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

Current and deferred income tax expense/(income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

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

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled.

(c) Fair value of assets and liabilities

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

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

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

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

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

(d) Property, plant and equipment

Land & Buildings

Freehold land and buildings are carried at their fair value (refer note 1 (c)), based on periodic, but at least triennial, valuations by external independent valuers, less accumulated depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in equity; all other decreases are recognised in profit or loss.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

The carrying amount of land and buildings is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal.

Plant & Equipment

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

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

Class of Asset	Rate	Method
Buildings	2.5%	SL
Leasehold improvements	6.7%	SL
Plant and equipment	10.33%	SL

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

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount.

These gains and losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts

included in the revaluation surplus relating to that asset are transferred to retained earnings.

(e) 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 the company, are classified as finance leases.

Finance leases are capitalised by recognising 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 values. 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 the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses in the periods in which they are incurred.

(f) Impairment of assets

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

(g) Goods and services tax

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(h) Employee benefits

Short-term employee benefits

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

Notes to the Financial Statements Cont.

The liability for annual leave is recognised in the provision for employee benefits. All other short term employee benefit obligations are presented as payables.

Other long-term employee benefits

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

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

(i) Intangible assets and franchise fees

Franchise renewal costs have been initially recorded at cost and amortised on a straight line basis at a rate of 20% per annum. The current amortisation charges for intangible assets are included under depreciation and amortisation expense per the Statement of Profit or Loss and Other Comprehensive Income.

(j) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of six months or less, and bank overdrafts. Bank overdrafts are reported within short-term borrowings in current liabilities in the statement of financial position.

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.

(k) Revenue and other income

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

Interest and fee revenue is recognised when earned.

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

(l) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost, less any provision for doubtful debts. Trade and other receivables are due for settlement usually no more than 30 days from the date of recognition.

Collectability of trade and other receivables is reviewed on an ongoing basis. Debts, which are known to be uncollectable, are written off. A provision for doubtful debts is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the assets carrying amount and the present value of estimated cash flows, discounted at the effective interest rate. The amount of the provision is recognised on profit or loss.

(m) Trade and other payables

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

(n) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

(o) Contributed equity

Issued and paid up capital is recognised at the fair value of the consideration received by the company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(p) New and amended accounting policies adopted by the company

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

(q) Comparative figures

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

(r) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the year, adjusted for bonus elements in ordinary shares issued during the year.

(s) New accounting standards for application in future periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the company.

The company has decided not to early adopt any of the new and amended pronouncements. The company's assessment of the new and amended pronouncements that are relevant to the company but applicable in the future reporting periods is set below:

(i) AASB 16: Leases (applicable for annual reporting periods commencing on or after 1 January 2019).

AASB 16 represents a significant overhaul of lease accounting requirements, replacing AASB 117 Leases and a number of lease-related Interpretations for annual reporting periods beginning on or after 1 January 2019: The new Standard:

- requires all leases to be accounted for 'on-balance sheet' by lessees, other than short-term and low value asset leases;
- provides new guidance on the application of the definition of lease and on sale and lease back accounting;
- largely retains the existing lessor accounting requirements in AASB 117; and
- requires new and different disclosures about leases.

The entity is yet to undertake a detailed assessment of the impact of AASB 16. However, based on the entity's preliminary assessment, the Standard will impact the operating lease of the Community Bank Branch premises currently in place, the specific financial implications will be determined prior to the point of first adoption for the year ending 30 June 2020.

(t) Critical accounting estimates and judgements

The Directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company. Estimates and judgements are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The estimates and judgements that have a significant risk of causing material adjustments to the carrying values of assets and liabilities are as follows:

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and intangible assets. The depreciation and amortisation charge will increase where useful lives are less than previously estimated lives.

Fair value assessment of non-current physical assets

The AASB 13 Fair Value standard requires fair value assessments that may involved both complex and significant judgement and experts. The value of land and buildings may be materially misstated and potential classification and disclosure risks may occur.

Employee benefits provision

Assumptions are required for wage growth and CPI movements. The likelihood of employees reaching unconditional service is estimated. The timing of when employee benefit obligations are to be settled is also estimated.

Income tax

The company is subject to income tax. Significant judgement is required in determining the deferred tax asset. Deferred tax assets are recognised only when it is considered sufficient future profits

will be generated. The assumptions made regarding future profits is based on the company's assessment of future cash flows.

Impairment

The company assesses impairment at the end of each reporting period by evaluating conditions and events specific to the company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value in use calculations which incorporate various key assumptions.

2. Revenue and other income

	2019	2018
Revenue	\$	\$
- services commissions	1,193,669	1,053,633
	<u>1,193,669</u>	<u>1,053,633</u>
Other revenue		
- interest received	8,795	7,706
- other revenue	-2,562	18,445
	<u>6,233</u>	<u>26,151</u>
	<u>1,199,902</u>	<u>1,079,784</u>

3. Expenses

Profit before income tax includes the following specific expenses:

	2019	2018
Employee benefits expense	\$	\$
- wages and salaries	413,076	398,446
- superannuation costs	39,242	37,579
- other costs	41,998	26,344
	<u>494,316</u>	<u>462,369</u>
Depreciation & amortisation		
Depreciation of non-current assets:		
- building improvements	-	-
- leasehold improvements	1,517	1,517
- plant and equipment	12,791	16,472
Amortisation of non-current assets:		
- franchise fees	13,611	13,611
	<u>27,919</u>	<u>31,600</u>
Administration & General Costs:		
- Accounting Fees	8,350	7,500
- Audit Fees	4,625	4,686
- Advertising & Marketing	18,327	18,390
- Bookkeeping Fees	5,850	5,760
- Cash Delivery	4,500	4,740
- Freight/Cartage/Delivery	4,505	5,186
- Insurance	18,008	18,820
- Printing / Stationery	6,778	8,923
- Telephone	4,644	3,649
- Other	58,470	48,556
	<u>134,057</u>	<u>126,210</u>

Notes to the Financial Statements Cont.

	2019	2019
Information Technology Costs:	\$	\$
- IT Equipment Lease	15,181	15,094
- IT Running Costs	7,429	7,903
- IT Support Costs	15,555	13,339
	<u>38,165</u>	<u>36,336</u>
Occupancy Costs - Banking:		
- Cleaning	7,221	5,657
- Electricity / Gas	5,357	5,692
- R&M - Buildings	330	1,842
- R&M - Furniture & Fittings	275	-
- Rent	37,653	36,911
- Rates	6,951	8,343
- Security Monitoring	3,830	2,062
	<u>61,617</u>	<u>60,506</u>
Occupancy Costs - Community House		
- Electricity / Gas	189	337
- R&M - Buildings	14,639	16,084
- Rates	2,522	1,456
	<u>17,350</u>	<u>17,878</u>
ATM:		
- Cash Delivery	8,853	6,451
- Leasing	7,251	7,035
- Consumables	-	39
- Maintenance	7,930	2,962
- Switching Fees	1,063	1,213
- Discrepancies	295	243
- Offsite Rent	13,427	13,204
	<u>38,819</u>	<u>31,147</u>
Charitable Donations & Sponsorships:		
- Community Enterprise Foundation	84,211	47,727
- Federation University	17,800	15,500
- Buninyong Primary & Local District School	28,462	23,657
- Magic Moments Foundation	5,448	2,280
- Buninyong Film Festival	-	2,000
- Buninyong & District Tennis Association	3,000	3,000
- Various Sporting Clubs	26,846	26,873
- Other sponsorships & donations	67,610	63,626
	<u>233,377</u>	<u>184,663</u>
Auditors' remuneration		
Remuneration of the auditor for:		
- Audit or review of the financial report	4,625	4,686
- Taxation services	-	-
- Share registry services	-	-
	<u>4,625</u>	<u>4,686</u>

4. Tax Expense

	2019	2019
a. The components of tax expense/ (income) comprise	\$	\$
- Current tax expense/(income)	55,440	45,952
- Deferred tax expense/(income) relating to the original and reversal of temporary differences.	(8,157)	(4,926)
	<u>47,283</u>	<u>41,026</u>
b. Prima facie tax payable		
The prima facie tax on profit/(loss) from ordinary activities before income tax is reconciled to the income tax expense as follows:		
Prima facie tax on profit/(loss) before income tax at 27.5% (2018: 27.5%)	42,363	35,257
Add tax effect of:		
- Non-deductible expenses	4,920	5,769
<i>Current income tax expense</i>	<u>47,283</u>	<u>41,026</u>
<i>Income tax attributable to the entity</i>	<u>47,283</u>	<u>41,026</u>
<i>The applicable weighted average effective tax rate is</i>	30.69%	32.00%
c. Current tax liability		
Current tax relates to the following:		
Current tax liabilities / (assets)		
Opening balance	80,166	54,778
Income tax paid	(136,158)	(20,564)
Current tax	55,440	45,952
	<u>(552)</u>	<u>80,166</u>
d. Deferred tax asset / (liability)		
Deferred tax relates to the following:		
Deferred tax assets balance comprises:		
Accrued Audit Fee	983	942
Employee provisions	23,085	16,996
Property, plant & Equipment	2,847	920
	<u>26,915</u>	<u>18,858</u>
Deferred tax liabilities balance comprises:		
Accrued income	585	685
	<u>585</u>	<u>685</u>
Net deferred tax asset / (liability)	<u>26,330</u>	<u>18,173</u>
e. Deferred income tax (revenue)/expense included in income tax expense comprises:		
Decrease / (increase) in deferred tax assets	(8,057)	(4,015)
(Decrease) / increase in deferred tax liabilities	(100)	(910)
	<u>(8,157)</u>	<u>(4,925)</u>

5. Cash and cash equivalents

	2019	2019
	\$	\$
Cash at bank and on hand	82,162	27,982
Sandhurst Select Mortgage Fund	333,607	398,450
	<u>415,769</u>	<u>426,432</u>

The effective interest rate on the Sandhurst Select Mortgage Fund was 2.5%; this investment has an average maturity of 90 Days

6. Trade and other receivables

	2019	2019
Current		
Trade debtors	115,071	105,179
Interest receivable	2,127	2,489
	<u>117,198</u>	<u>107,668</u>

Credit risk

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

The following table details the company's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as "past due" when the debt has not been settled within the terms and conditions agreed between the company and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the company.

The balances of receivables that remain within initial trade terms (as detailed in the table below) are considered to be high credit quality.

	Gross Amount	Past Due impaired	< 30 days	31-60 days	> 60 days	> 60 days	Not Past Due
2019							
Trade receivables	115,071	-	-	-	-	-	115,071
Other receivables	2,127	-	-	-	-	-	2,127
Total	<u>117,198</u>	-	-	-	-	-	<u>117,198</u>
2018							
Trade receivables	105,179	-	2,200	-	-	-	102,979
Other receivables	2,489	-	-	-	-	-	2,489
Total	<u>107,668</u>	-	<u>2,200</u>	-	-	-	<u>105,468</u>

7. Property, plant and equipment

	2019	2018
<i>Land and Buildings</i>	\$	\$
At cost	341,514	341,514
Less accumulated depreciation	(1,256)	(1,256)
Less Impairment	(150,258)	(150,258)
Total written down amount	<u>190,000</u>	<u>190,000</u>
<i>Leasehold improvements</i>		
At cost	22,742	22,742
Less accumulated depreciation	(13,502)	(11,984)
Total written down amount	<u>9,240</u>	<u>10,758</u>
<i>Plant and equipment</i>		
At cost	108,098	106,473
Less accumulated depreciation	(97,788)	(84,999)
Total written down amount	<u>10,310</u>	<u>21,474</u>
Total property, plant and equipment	<u>209,550</u>	<u>222,232</u>

Movements in carrying amounts

<i>Land and Buildings</i>		
Balance at the beginning of the reporting period	190,000	190,000
Additions	-	-
Disposals	-	-
Depreciation expense	-	-
Impairment expense	-	-
Balance at the end of the reporting period	<u>190,000</u>	<u>190,000</u>
<i>Leasehold improvements</i>		
Balance at the beginning of the reporting period	10,758	12,275
Additions	-	-
Disposals	-	-
Depreciation expense	(1,518)	(1,517)
Balance at the end of the reporting period	<u>9,240</u>	<u>10,758</u>
<i>Plant and equipment</i>		
Balance at the beginning of the reporting period	21,474	35,941
Additions	1,625	2,006
Disposals	-	-
Depreciation expense	(12,789)	(16,473)
Balance at the end of the reporting period	<u>10,310</u>	<u>21,474</u>
	<u>209,550</u>	<u>222,232</u>

Notes to the Financial Statements Cont.

8. Intangible assets

	2019	2018
<i>Franchise Fee</i>	\$	\$
At cost	68,056	68,056
Less accumulated amortisation	(50,763)	(37,152)
	17,293	30,904
Movements in carrying amounts		
<i>Intangible assets</i>		
Balance at the beginning of the reporting period	30,904	44,515
Additions	-	-
Disposals	-	-
Amortisation expense	(13,611)	(13,611)
Balance at the end of the reporting period	17,293	30,904

9. Trade and other payables

Current

Unsecured liabilities:

Trade creditors	21,171	17,540
Other creditors and accruals	50,703	48,238
	71,874	65,778

Non-Current

Unsecured liabilities:

Other creditors and accruals	-	14,972
	-	14,972

10. Borrowings

Current

Secured liabilities

Bank loan	-	10,151
	-	10,151

Non-current

Secured liabilities

Bank loan	-	-
	-	-

The company has an equipment loan which is subject to normal terms and conditions. The current interest rate is 5.2%. This loan has been created to fund the purchase of a motor vehicle and is secured by the vehicle.

11. Provisions

Employee benefits	83,944	61,802
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Movement in employee benefits

Opening balance	61,802	50,916
Additional provisions recognised	41,816	38,188
Amounts utilised during the year	(19,674)	(27,302)
Closing balance	83,944	61,802

	2019	2019
Current	\$	\$
Annual Leave	35,641	28,001
Long Service Leave	33,702	22,937
	69,343	50,938
Non-Current		
Annual Leave	-	-
Long Service Leave	14,601	10,864
	14,601	10,864
Total Provisions	83,944	61,802

12. Share capital

691,670 Ordinary Shares fully paid of \$1 each	691,670	691,670
168 Ordinary Shares raised at zero value	-	-
Less: Equity raising costs	(12,229)	(12,229)
	679,441	679,441

Movements in share capital

Fully paid ordinary shares:

At the beginning of the reporting period	691,670	691,670
Shares issued during the year	-	-
At the end of the reporting period	691,670	691,670

Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held. At the shareholders' meetings each shareholder is entitled to one vote when a poll is called, or on a show of hands. The company does not have authorised capital or par value in respect of its issued shares. All issued shares are fully paid. All shares rank equally with regard to the company's residual assets.

Capital management

In accordance with the franchise agreement, in any 12 month period, the funds distributed to shareholders shall not exceed the Distribution Limit.

(i) the Distribution Limit is the greater of:

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

(ii) the Relevant Rate of Return is equal to the weighted average interest rate on 90 day bank bills over that 12 month period plus 5%.

The Board is managing the growth of the business in line with this requirement. There are no other externally imposed capital requirements, although the nature of the company is such that amounts will be paid in the form of charitable donations and sponsorship. Charitable donations and sponsorship paid for the year ended 30 June 2019 can be seen in the Statement of Profit or Loss and Comprehensive Income.

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

13. Retained earnings / (accumulated losses)

(a) Retained earnings / (accumulated losses)

	2019	2018
Balance at the beginning of the reporting period	\$ (159,490)	\$ (159,490)
Dividends provided for or paid	-	-
Profit/(loss) after income tax	106,763	87,181
Amounts transferred to reserves	(106,763)	(87,181)
Balance at the end of the reporting period	<u>(159,490)</u>	<u>(159,490)</u>

14. Reserves

(a) Dividend profits reserve

Balance at the beginning of the reporting period	52,589	-
Dividends provided for or paid	(48,429)	(34,592)
Amounts transferred to current year profits	106,763	87,181
Balance at the end of the reporting period	<u>110,923</u>	<u>52,589</u>

During the year, the Board of Directors resolved that the current year profits were to be offset against accumulated losses, but were to be appropriated to a Dividend profit reserve. This reserve may be made available in subsequent years for further payments of dividends to shareholders.

15. Statement of cash flows

(a) Cash and cash equivalents balances as shown in the statement of financial position can be reconciled to that shown in the statement of cash flows as follows:

As per the statement of financial position	415,769	426,432
As per the statement of cash flow	<u>415,769</u>	<u>426,432</u>

(b) Reconciliation of profit / (loss) after tax to net cash provided from/(used in) operating activities

Profit / (loss) after income tax	106,763	87,181
Non cash items		
Depreciation	14,308	17,989
Amortisation	13,611	13,611
Impairment	-	-
Changes in assets and liabilities		
(Increase) decrease in receivables	107,662	(13,435)
(Increase) decrease in deferred tax asset	18,169	(4,925)
(Increase) decrease in income tax provision	(80,166)	25,388
Increase (decrease) in payables	1,020	1,020
Increase (decrease) in provisions	(61,780)	10,886
Net cash flows from/(used in) operating activities	<u>119,587</u>	<u>137,715</u>

16. Earnings per share

	2019	2018
	\$	\$
Basic earnings per share (cents)	15.43	12.60
Earnings used in calculating basic and diluted earnings per share	106,763	87,181
Weighted average number of ordinary shares for basic and diluted earnings per share	<u>691,838</u>	<u>691,838</u>

17. Key management personnel and related party disclosures

(a) Key management personnel

Any person(s) having authority or responsibility for planning, directing or controlling the activities of the entity, directly or indirectly including any director (whether executive or otherwise) of that company is considered key management personnel.

(b) Other related parties

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel, individually or collectively with their close family members.

(c) Transactions with key management personnel and related parties

No key management personnel or related party has entered into any contracts with the company, except for Amber Balazic who received \$4,520 (2018: \$5,760) for bookkeeping services on normal terms and conditions. Robert Tommasini has received \$1,750 payment for Company Secretary duties under his contract. No director fees have been paid as the positions are held on a voluntary basis.

Buninyong & District Financial Services Limited has not accepted the Bendigo and Adelaide Bank Limited's Community Bank Directors Privileges package.

(d) Key management personnel shareholdings

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

	2019	2018
RICHARD MCDOWELL	1,500	1,500
STEPHEN FALCONER	15,201	15,201
RON DELALAND	28,201	28,201
GARRY TROTTER	2,201	2,201
AMBER BALAZIC	-	-
IAN CORCORAN	5,000	5,000
LYDIA MZONDO	-	-
ANDREA MASON	-	-
SAM ELSHAUG	-	-
ROBERT TOMMASINI	-	-
JO INNES	-	-

Each share held has a paid up value of \$1 and is fully paid.

(e) Other key management transactions

There has been no other transactions involving equity instruments other than those described above.

Notes to the Financial Statements Cont.

18. Events after the reporting period

There have been no events after the end of the financial year that would materially affect the financial statements.

19. Contingent liabilities and contingent assets

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

20. Operating segments

The company operates in the financial services sector where it provides banking services to its clients. The company operates in one geographic area being Buninyong, Victoria. The company has a franchise agreement in place with Bendigo and Adelaide Bank Limited who account for 100% of the revenue (2018: 100%).

21. Commitments

Operating lease commitments

Non-cancellable operating leases contracted for but not capitalised in the Statement of Financial Position.

	2019	2018
Payable:	\$	\$
- no later than 12 months	37,612	37,612
- between 12 months and five years	48,583	48,583
- greater than five years	-	-

Minimum lease payments

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

22. Company details

The registered office is: 18 Doveton Street North
Ballarat, Victoria 3350

The principal place of business is: 401B Warrenheip Street
Buninyong, Victoria 3357

23. Dividends paid or provided for on ordinary shares

Dividend paid:

Final ordinary dividend of 7 cents per share (2018: 5 cents)	48,429	34,592
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Dividend proposed and not yet recognised as a liability:

Final ordinary dividend of 8 cents per share (2018: 7 cents)	55,347	48,429
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24. Community Enterprise Foundation™

Consistent with prior practice, during the period the company allocated pre-tax funds to the Community Enterprise Foundation™ (CEF), the philanthropic arm of the Bendigo and Adelaide Bank Group. This allocation is included in charitable donations and sponsorships expenditure delineated in the Statement of Profit or Loss and Other Comprehensive Income.

The funds allocated are held by the CEF in trust and are available for future distribution as grants to eligible applicants.

	2019	2018
	\$	\$
Opening Balance	49,441	35,354
Contributions	92,991	55,000
Interest	867	693
GST transfers, net	(5,258)	(2,765)
Management fees	(4,210)	(2,499)
Grants paid to eligible recipients	(39,121)	(36,342)
Balance available for future distributions	94,710	49,441

25. Financial risk management

Financial risk management policies

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board has established an Audit Committee which reports regularly to the Board. The Audit Committee is assisted in the area of risk management by an internal audit function.

Specific financial risk exposure and management

The main risks the company is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk, foreign currency risk and other price risk. There have been no substantial changes in the types of risks the company is exposed to, how the risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

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

	Note	2019	2018
Financial assets		\$	\$
Cash and cash equivalents	5	415,769	426,432
Trade and other receivables	6	117,198	107,668
Total financial assets		532,967	534,100
Financial liabilities			
Trade and other payables	9	71,874	65,778
Borrowings	10	-	10,151
Total financial liabilities		71,874	75,929

(a) Credit risk

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

Credit risk is managed through maintaining procedures ensuring, to the extent possible, that clients and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Credit terms for normal fee income are generally 30 days from the date of invoice. For fees with longer settlements, terms are specified in the individual client contracts. In the case of loans advanced, the terms are specific to each loan.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying amount and classification of those financial assets as presented in the table above.

The company has significant concentrations of credit risk with Bendigo and Adelaide Bank Limited. The company's exposure to credit risk is limited to Australia by geographic area.

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

(b) Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company ensures it will have enough liquidity to meet its liabilities when due under both normal and stressed conditions. Liquidity management is carried out within the guidelines set by the Board.

Typically, the company maintains sufficient cash on hand to meet expected operational expenses, including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The table below reflects an undiscounted contractual maturity analysis for financial liabilities.

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

Financial liability and financial asset maturity analysis:

30 June 2019	Note	Weighted average interest rate	Total	Within 1 year	1 to 5 years	Over 5 years
		%	\$	\$	\$	\$
Financial assets						
Cash & cash equivalents	5	1.26%	415,769	415,769	-	-
Trade and other receivables	6	0.00%	117,198	117,198	-	-
Total anticipated inflows			532,967	532,967	-	-
Financial liabilities						
Trade and other payables	9	0.00%	71,874	71,874	-	-
Loans and borrowings	10	5.20%	-	-	-	-
Total expected outflows			71,874	71,874	-	-
Net (outflow)inflow on financial instruments			461,093	461,093	-	-

30 June 2018	Note	Weighted average interest rate	Total	Within 1 year	1 to 5 years	Over 5 years
		%	\$	\$	\$	\$
Financial assets						
Cash & cash equivalents	5	1.26%	426,432	426,432	-	-
Trade and other receivables	6	0.00%	107,668	107,668	-	-
Total anticipated inflows			534,100	534,100	-	-
Financial liabilities						
Trade and other payables	9	0.00%	80,750	65,778	14,972	-
Loans and borrowings	10	5.20%	10,151	10,151	-	-
Total expected outflows			90,901	75,929	14,972	-
Net (outflow)inflow on financial instruments			443,199	458,171	(14,972)	-

(c) Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

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

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

Sensitivity analysis

The following table illustrates sensitivities to the company's exposures to changes in interest rates and equity prices. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables.

	Profit	Equity
	\$	\$
Year ended 30 June 2019		
+/- 1% in interest rates (interest income)	4,122	2,988
	4,122	2,988
Year ended 30 June 2018		
+/- 1% in interest rates (interest income)	4,219	3,058
	4,219	3,058

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

The company has no exposure to fluctuations in foreign currency.

Notes to the Financial Statements Cont.

Note	2019		2018	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets	\$	\$	\$	\$
Cash and cash equivalents (i)	415,769	415,769	426,432	426,432
Trade and other receivables (i)	117,198	117,198	107,668	107,668
Total financial assets	532,967	532,967	534,100	534,100
Financial liabilities				
Trade and other payables (i)	71,874	71,874	65,778	65,778
Loans and borrowings	-	-	10,151	10,151
Total financial liabilities	71,874	71,874	75,929	75,929

(i) Cash and cash equivalents, trade and other receivables, and trade and other payables are short-term instruments in nature whose carrying amounts are equivalent to their fair values.

Directors Declaration

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

1. the financial statements and notes of the company as set out on pages 1 to 29 are in accordance with the Corporations Act 2001 and:

(i) comply with Australian Accounting Standards, which as stated in accounting policy Note 1(a) to the financial statements constitutes compliance with International Financial Reporting Standards (IFRS); and

(ii) give a true and fair view of the company's financial position as at 30 June 2019 and of the performance for the year ended on that date;

2. in the Directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This resolution is made in accordance with a resolution of the Board of Directors.



Ian Corcoran
Chairman

Signed at Buninyong on 25 September 2019

**Independent
Audit Report
2019**

Independent Audit Report

- MOR Accountants

MOR Accountants
Formerly – Molloy, Orr and Ronan



Chartered Accountants

Ballarat

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INDEPENDENT AUDITOR'S REPORT

To the directors of Buninyong & District Financial Services Limited

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of Buninyong & District Financial Services Limited (the company), which comprises the statement of financial position as at 30 June 2019, and the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes comprising to the financial statements, including a summary of significant accounting policies and the directors' declaration.

In our opinion, the financial report of Buninyong & District Financial Services Limited is in accordance with the *Corporations Act 2001*, including

- (a) giving a true and fair view of the company's financial position as at 30 June 2019 and of its performance for the period ended on that date; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for our Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the registered entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australia Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Liability limited by a scheme approved under Professional Standards Legislation

Partners & Directors | D.J. Molloy CA | G.L. Orr CA | N.G. Ronan CA | P.R. Hansen CA | J.A. Edgar CA
P.A. White CA | D.G. Abbott CA | S.R. Cartledge CA | S.R. Corbett CA





In preparing the financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible entities either intends to liquidate the registered entity or to cease operations, or has no realistic alternative but to do so.

The directors are responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

A handwritten signature in blue ink that reads "David G. Abbott".

D G Abbott
Partner
MOR Accountants
406 Dana Street, Ballarat

Dated: 25/9/19.

CONSTANTLY STRIVING TO CREATE VALUE

**Branch and board members
are dedicated to the delivery
of our Purpose.**

**We will always be focused on
our customer first, to contribute
to the growth and prosperity
of our communities.**

FEEDING INTO COMMUNITY PROSPERITY, NOT OFF IT

www.buildingbuninyongcommunity.com.au

Buninyong & District **Community Bank** Branch
401B Warrenheip Street, Buninyong VIC 3357
Phone: (03) 5341 8066



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