

Coleambally **Community Bank**® Branch
Darlington Point Agency
Jerilderie Agency



annual report **2014**

Coleambally Finance Group Limited

ABN 52 086 241 509

Western Riverina Community Financial Services Partnership

ABN 62 152 289 391

Coleambally Finance Group Limited
ABN 52 086 241 509

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Coleambally Finance Group Ltd

ABN 52 086 241 509

Registered Office: 1 Brolga Place, Coleambally

Chairman: Mr A J Howe

P O Box 110, Coleambally NSW 2707

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the sixteenth ANNUAL GENERAL MEETING of COLEAMBALLY FINANCE GROUP LIMITED will be held at the Coleambally Community Club on Thursday, 27 November 2014 at 7:00 pm.

AGENDA

- 1. Minutes of Annual General Meeting dated 28 November 2013**
- 2. Ordinary Business**

Chairman's Report

The Chairman, Mr A J Howe will present his report on the operations of the Company for the year ended 30 June 2014.

Adoption of Accounts

To receive and consider the financial statements and reports to the contributors comprising:

1. The Profit and Loss accounts for the year ended 30 June 2014 and Balance Sheet of the Company as at 30 June 2014.
2. The Directors' Declaration and Report by auditors for the financial year ended 30 June 2014.
3. The Directors' Report for the financial year ended 30 June 2014.

Election of Directors

To elect two (2) Directors:

Mr J W McFadyen and Mr R J Kerr retire in accordance with the provisions of the constitution and being eligible, may offer to re-elect.

- 3. General Business**

To transact any business that may be lawfully brought forward.

By Order of the Board

Tony Howe
Chairman
21 October 2014

Notes:

1. Mr J W McFadyen and Mr R J Kerr will retire under Section 45 of the Constitution of Coleambally Finance Group Ltd and being eligible, may offer to re-elect.
2. As per the company constitution any two members of the company shall be at liberty to nominate any other member to serve as an office-bearer or other Director.
3. Nomination and Consent to Act forms may be collected from the Coleambally Community Bank^o Branch, 1 Brolga Place, Coleambally or the Secretary.
4. Nomination and Consent to Act forms must be lodged with the Secretary by 5:00 pm, 13 November 2014.
5. A list of candidates' names in alphabetical order with the nominators' and seconders' names shall be posted in the registered office for at least seven days immediately preceding the Annual General Meeting.

A member entitled to attend and vote is entitled to appoint a proxy to attend and vote in his/her stead. That person need not be a member of the company but should be a natural person over the age of 18 years. Proxy forms will be available once nominations close from the Coleambally Community Bank^o Branch, 1 Brolga Place, Coleambally or the Secretary and must be lodged at the registered office of the company not less than 48 hours before the timing of the meeting.

MINUTES OF THE ANNUAL MEETING

COLEAMBALLY FINANCE GROUP

ABN 52 086 241 509

Held at the Coleambally Community Club on Thursday, 28th November, 2013

MEETING OPENED: Mr A Howe opened the meeting at 7.07pm and welcomed everyone in attendance.

PRESENT: As per Attendance book.

APOLOGIES: Nil

MINUTES OF THE PREVIOUS ANNUAL MEETING: Were read.

It was resolved that it was a true record.

CHAIRMAN'S REPORT: Mr Howe presented his report.
Resolved: That his report be tabled and accepted.

TREASURERS REPORT: Mr A Hayes gave his treasurers report.
Resolved: That the treasurer's report be tabled and accepted.

REPORT'S Directors Declaration & Report by Auditors for the Financial Year ended 30th June, 2013.

Directors Report for the Financial Year ended 30th June, 2013

MANAGERS REPORT: Mr C Noack presented his report.
Resolved: That the manager's report be tabled and accepted.

ELECTION OF DIRECTORS: Mr R Brain, Mrs K Pound & Mrs S Sutherland are due for election. Mr R Brain & Mrs K Pound do not wish to stand. Mrs S Sutherland was elected.

Mr A Howe called for further nominations from the floor. No nominations were received.

Mr Howe asked everyone to have a think about anyone who could be contacted to fill the vacancies.

Mr T Butt then took the floor. He thanked everyone for the year that Coleambally has given to Bendigo; he also reminded everyone that privacy is paramount when dealing with bank business.

GENERAL BUSINESS:

Post Office-Updates to the building, were they in the budget? Yes.

Signs on the old post office to be removed.

Branch Renovations-To be done in stages, so as to not over extend the finances.

Mr Howe thanked Mr Brain & Mrs Pound for their input over the years.

CLOSURE:

Mr Howe thanked everyone for their attendance and there being no further business to discuss, the meeting was closed at 7.27pm

CHAIRMAN'S REPORT

Welcome to the end of another financial year and it is with pleasure that I can report that the Coleambally **Community Bank**® Branch is alive and well and operating satisfactorily.

Just a quick snapshot of our position shows us with a total business size of some \$101.1 million. Unfortunately this is an overall decrease of some \$8.9 million on last year. Our loan portfolio grew by \$2.61 million, deposits reduced by \$9.275 million and other business reduced by \$2.27 million. Other business is made up of retail superannuation, Rural Bank business and business with Community Sector Bank.

Whilst our customer numbers are slightly down by 23 our total account numbers have increased by 16. This indicates to me that there is still plenty of scope to increase and hold the size of our book.

There are some mitigating circumstances for the decrease of our total business. Firstly we are still recovering from the worst Global Financial Crisis (GFC) in recent history. Unanticipated disasters such as this take many years to recover from. Added to the GFC is the continued reduction of interest rates. Whilst it is good for borrower's pockets it does have a marked effect on our bottom line through the reduction of our interest margins. The third main reason concerns the downturn in of our deposits by \$9.275 million, is the decision of self-managed superannuation funds to change investment strategies by switching out of cash to real estate.

Now for some better news. Although the interest rate on our contributors' funds was reduced from 10% to 7% to bring us into line with current trends I am pleased to announce that a total of \$23,523.64 was paid to you. Along with community grants totalling \$110,861 you can see that we are still operating very successfully.

No doubt you have all seen the improvements that are being carried out at our branch. The addition of the ATM has been a great success and we anticipate that it will continue to improve our customer service in the future. As these extensions will take time to complete it must be noted that Stage 1 has been completed and stage two is well on the way to completion.

To allow these extensions to proceed there had to be a rearrangement to the operation in the building. That is why we have purchased the new site for the Post Office and relocated Guy and his staff to his new premises, which seems to be a win win situation for both the town and Post Office.

The operation of a business such as this is made possible due the fact that there are people who are prepared to give up some of their free time and donate it to the operation of the Board of Directors. A special thanks to Kevan Boyle, Adrian Hayes, John McFadyen, Sharon Sutherland and Rob Kerr for their time and effort. A special thank you to recently retired Directors, namely Roy Brain and Kellie Pound. Thank you for your important contributions. Chris Noack must also be thanked as he attends our meetings in an advisory and non-voting capacity.

A big thank you to the people who act as the face of the **Community Bank®** branch – our staff. We welcome Ralph Twaddell who you will notice sitting at Mary's desk as our new Customer Relations Manager. Michael Hodgson and Sarah Hardy fill our Customer Service Officer positions with Kate Jones and Jessica Walsh as our Customer Service Supervisors. Katie Paull is currently on maternity leave and we look forward to her returning in the future. As part of our staff reshuffle I thank Mary Thompson for not only continuing to provide excellent service to our customers but also taking on the demanding job as Secretary of Western Riverina Community Financial Services Partnership. With Chris Noack, our Manager, I am sure that you agree that we are all in very good hands.

A special thanks to Chris, Mary, Adrian, Rob and Sharon who along with Hillston representatives – Graeme May, John Fensom, Mick Brettschneider, Graeme Lyons and Paul Lenon who along with myself make up the Board of Directors for the Western Riverina Community Financial Services Partnership (WRCFS).

Whilst on the WRCFS, I am pleased to announce that after the original teething problems confronted by the merger things have settled down and there is a clear indication that business is on the up and up with vast improvements in the combined financial figures. As you no doubt are aware the Coleambally **Community Bank®** Branch is operating agencies out of Darlington Point and Jerilderie whilst Hillston run agencies at Lake Cargelligo and a new site at Hay. All these agencies are continuing to help the bottom line.

Thanks are also extended to the Bendigo and Adelaide Bank for their banking expertise with a special mention to our Regional Manager, Tim Butt and his team situated in Wagga Wagga for their help in solving unexpected problems that crop up from time to time.

Finally thanks to you, our contributors and customers, for your continued support and loyalty to allow our business to continue to grow and expand.

TONY HOWE
CHAIRMAN

Manager's Report 2014

The merger of Coleambally Finance Group Ltd and Hillston & Districts Financial Services Ltd took effect 1 October 2011, and saw the creation of Western Riverina Community Financial Services Pty Ltd (WRCFS). This company is responsible for the partnership that was created. The assets and liabilities of Coleambally and Hillston and the rights to operate the two branches and the agencies at Darlington Point and Lake Cargelligo were transferred to the new partnership. The staff initially remained employed by Coleambally Finance Group Ltd and Hillston & Districts Financial Services Ltd, respectively. The staff were transferred to WRCFS 1 January 2013.

This partnership sees the assets, liabilities, income and expenses of the combined entity split between the two partners with 60 per cent going to Coleambally and Hillston receiving 40 per cent.

During the year the banking business levels of Coleambally **Community Bank®** Branch declined by \$8.927 million to \$101.1 million. This growth was less than budgeted. The return of some good seasons, low returns on cash investments and low consumer confidence have all played their part in seeing business levels reduce. I don't expect this trend to be long term.

Total revenue continues to be strong and has increased slightly to \$777,458. While any growth in income is welcomed, the level of growth is below previous results. This was due in part to the reduction in interest margins. The current record low interest rate environment is fantastic for borrowers, but not so good if you need the interest income to live on. Expenses were held to \$744,193. This is up slightly on last year's figures.

The result of this is a profit before tax of \$33,265. This down slightly on last year's result. Of itself the result is disappointing. It is always disappointing to see less profit than the year before, however in the context of the current economic environment we consider it a solid result. This result is after an interest payment to our contributors of 7% was made in June.

2014 was a mile stone year because donations and sponsorships back to the community passed the magical \$1 million mark. That is \$1 million that groups like Coleambally Men's Shed; Darlington Point Tennis Club; Coleambally Bowls Club; Coleambally Lions Club; Coleambally Darlington Point Education Foundation; Coleambally Central School; St Peter's Primary School; DPC Rugby League Club; Coleambally Football Netball Club; Coleambally Pistol Club have all shared and benefited from. We know that these funds have helped make these groups more viable and more successful. There are many more community groups who have been recipients of grants and sponsorship over the 15 years that the Coleambally **Community Bank®** Branch has been operating and we are confident that it wont take another 15 years to reach \$2 million.

The 2014/15 financial year was very quiet to start with, but activity has picked up in recent weeks. Staffing levels are almost back at normal levels which will give us the capacity to increase business levels once again.

As Tony has already indicated, the renovations are progressing. Not as quickly as I'd like. Stage 1, the installation of the ATM, is completed and we are impressed with the initial transaction volumes. Stage 2, which will give us additional back office space, is all but complete. Stage 3, which will give us more interview offices and a revamped customer area, is not planned to commence for at least another 12 to 18 months. Once the renovations are completed we will have the space to grow the business further.

Our partner branch, Hillston has performed exceptionally well again with growth of \$10.8 million taking business levels to \$60.8 million at the end of June. As a result of this continued growth, there is now a positive impact on the bottom line of the Partnership from the business activities at Hillston. Hillston branch has recently taken on the management of the Bendigo Bank agency at Hay. Business growth from the agency is significant. The other agencies that the Partnership has are also performing well. These agencies are at Jerilderie, Darlington Point and Lake Cargelligo.

We have had a major change in the staffing structure of staff in the last 12 months at the Coleambally **Community Bank®** Branch. Tony has provided the details in his report. I would also like to sincerely thank my staff for their hard work and professionalism without them these results would not be possible. I'd like to welcome Michael Hodgson, Sarah Hardy and Ralph Twaddell to the team. Welcome back Kate Jones from maternity leave. Congratulate Mary Thompson on her promotion to the position of Company Secretary (I think congratulations is the right word). Congratulations to Jessica Walsh on her promotion to Customer Service Supervisor. She will job share this position with Kate Jones.

I would again like to thank the Board of Directors, capably lead by Tony Howe, for their continued support of me and our company.

I must again thank our customers for their support and patronage, because without you supporting us we would not be able to support the community to the extent that we have.

Chris Noack
Manager

Coleambally Finance Group Limited
ABN 52 086 241 509
Directors' report

Your Directors present their report of the company for the financial year ended 30 June 2014. The information in the preceding operating and financial review forms part of this Directors' report for the financial year ended 30 June 2014 and is to be read in conjunction with the following information:

Directors

The following persons were directors of Coleambally Financial Group 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
Anthony Howe Appointed 29/09/1999 Director		Electrical Appliance Repairer
Sharon Sutherland Appointed 28/04/2002 Appointed Secretary 25/07/2013		Farmer
Kevan Boyle Appointed 11/02/1999 Director		Retired Post Master
Roy Brain Appointed 11/02/1999 Director Resigned 28/11/2013		Farmer
Kellie Pound Appointed 26/05/2011 Director Resigned 28/11/2013	B Bus (Accounting) Chartered Accountant	Accountant
Adrian Hayes Appointed 24/11/2005 Director		Farm Manager
Robert Kerr Appointed 26/04/2012 Director		Farmer
John McFadyen Appointed 24/02/2012 Director	Bachelor Economics Diploma of Education Bachelor Information Technology	School Principal

Directors were in office for this entire year unless otherwise stated.

No Directors have material interests in contracts or proposed contracts with the company.

Principal activities

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

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

Coleambally Finance Group Limited
ABN 52 086 241 509
Directors' report

Review of operations

The profit of the company for the financial year after provision for income tax was \$30,768 (2013 profit: \$35,876).

The net assets of the company have increased to \$203,745 (2013: \$166,263).

Dividends

There were no dividends paid or provided for during the year.

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 reporting date

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.

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.

Remuneration benefits and payments

Other than detailed below, no 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.

Executive Remuneration

<u>Branch Manager</u>	<u>Primary Benefits Salary & Fees</u> \$	<u>Post Employment Superannuation</u> \$	<u>Total</u> \$
Christopher Noack			
2014	87,935	11,774	99,709
2013	87,925	11,553	99,478

The Coleambally Finance Group Limited has accepted the Bendigo and Adelaide Bank Limited's **Community Bank®** Directors Privileges package. The package is available to all Directors who can elect to avail themselves of the benefits based on their personal banking with the branch. There is no requirement to own Bendigo and Adelaide Bank Limited shares and there is no qualification period to qualify to utilise the benefits. The package mirrors the benefits currently available to Bendigo and Adelaide Bank Limited shareholders. The Directors have estimated the total benefits received from the Directors Privilege Package to be \$NIL for the year ended 30 June 2014.

Coleambally Finance Group Limited
ABN 52 086 241 509
Directors' report

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.

Directors' meetings

The number of Directors' meetings held during the year were 6. Attendances by each Director during the year were as follows:

Director	Board meetings #
Anthony Howe	5 (6)
Sharon Sutherland	3 (6)
Kevan Boyle	3 (6)
Roy Brain	4 (6)
Kellie Pound	2 (2)
Adrian Hayes	6 (6)
Robert Kerr	6 (6)
John McFadyen	4 (6)

The first number is the meetings attended while in brackets is the number of meetings eligible to attend.

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. However, the Board believes that the company has adequate systems in place for the management of its environment requirements and is not aware of any breach of these environmental requirements as they apply to 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.

Company Secretary

Sharon Sutherland has been the Company Secretary of Coleambally Finance Group Limited since 2013. Sharon's experience includes farm management for the last 30 years.

Coleambally Finance Group Limited
ABN 52 086 241 509
Directors' report

Non audit services

The Board of Directors are satisfied that the provision of non audit services during the year is compatible with the general standard of independence for Auditors imposed by the Corporations Act 2001. The Directors are satisfied that the services disclosed in Note 5 did not compromise the external Auditor's independence for the following reasons:

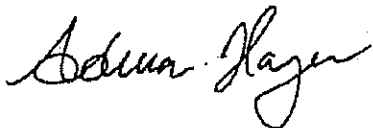
- all non audit services are reviewed and approved by the Board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the Auditor; and

- the nature of the services provided does not compromise the general principles relating to Auditor independence in accordance with APES 110 "Code of Ethics for Professional Accountants" set by the Accounting Professional and Ethical Standards Board.

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.

Signed in accordance with a resolution of the Board of Directors at Coleambally on
24th September 2014.



Adrian Hayes
Director



**Richmond
Sinnott &
Delahunty**

Chartered Accountants

Level 2, 10-16 Forest Street
Bendigo, Victoria
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Auditor's Independence Declaration under section 307C of the Corporations Act 2001 to the Directors of Coleambally Finance Group Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2014 there has been no contraventions of:

- (i) the Auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

RICHMOND SINNOTT & DELAHUNTY
Chartered Accountants

P.P. Delahunty
Partner
Bendigo

Dated at Bendigo, 26 September 2014

Coleambally Finance Group Limited
ABN 52 086 241 509
Statement of profit or loss and Other Comprehensive Income
for the year ended 30 June 2014

	<u>Notes</u>	2014 \$	2013 \$
Revenue	2	777,458	771,095
Employee benefits expense	3	(402,967)	(389,945)
Depreciation and amortisation expense	3	(50,821)	(24,226)
Finance costs	3	(36,835)	(36,341)
Bad and doubtful debts expense	3	(11)	(21)
Rental expense		(8,947)	(9,060)
Other expenses	3	<u>(225,557)</u>	<u>(218,139)</u>
Operating profit before charitable donations & sponsorships		52,320	93,363
Charitable donations and sponsorships		<u>(19,055)</u>	<u>(38,379)</u>
Profit before income tax expense		33,265	54,984
Tax expense	4	<u>2,497</u>	<u>19,108</u>
Profit for the year		30,768	35,876
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income		<u><u>30,768</u></u>	<u><u>35,876</u></u>

The accompanying notes form part of these financial statements

Coleambally Finance Group Limited
ABN 52 086 241 509
Statement of financial position
As at 30 June 2014

	<u>Notes</u>	2014 \$	2013 \$
Assets			
Current assets			
Cash and cash equivalents	6	57,509	55,451
Current tax receivable	14	-	2,320
Trade and other receivables	7	83,014	71,783
Investments & other financial assets	8	100,819	113,004
Total current assets		241,342	242,558
Non-current assets			
Cash and cash equivalents	6	327,527	327,362
Property, plant and equipment	9	315,972	201,345
Intangible assets	10	64,132	23,831
Deferred tax asset	14	20,506	-
Other assets: assets held in trust	15	152,075	165,976
Total non-current assets		880,212	718,514
Total assets		1,121,554	961,072
Liabilities			
Current liabilities			
Trade and other payables	11	42,429	56,695
Current Tax Payable	14	3,253	-
Loans and borrowings	12	185,211	186,459
Provisions	13	68,354	61,666
Franchise Fee Payable		62,403	-
Total current liabilities		361,650	304,820
Non current liabilities			
Loans and borrowings	12	220,107	156,199
Restricted funds - pledges	16	336,052	333,790
Total non current liabilities		556,159	489,989
Total liabilities		917,809	794,809
Net assets		203,745	166,263
Equity			
Asset revaluation reserve	17	3,636	(3,078)
Retained earnings	17	200,109	169,341
Total equity		203,745	166,263

The accompanying notes form part of these financial statements

Coleambally Finance Group Limited
ABN 52 086 241 509
Statement of changes in equity
for the year ended 30 June 2014

	Asset Revaluation Reserve \$	Retained earnings \$	Total equity \$
Balance at 1 July 2012	(10,234)	133,465	123,231
Total comprehensive income for the year	-	35,876	35,876
Transactions with owners, in their capacity as owners			
Asset revaluation increment	7,156	-	7,156
Balance at 30 June 2013	<u>(3,078)</u>	<u>169,341</u>	<u>166,263</u>
Balance at 1 July 2013	(3,078)	169,341	166,263
Total comprehensive income for the year	-	30,768	30,768
Transactions with owners, in their capacity as owners			
Asset revaluation increment	6,714	-	6,714
Balance at 30 June 2014	<u>3,636</u>	<u>200,109</u>	<u>203,745</u>

The accompanying notes form part of these financial statements

Coleambally Finance Group Limited
ABN 52 086 241 509
Statement of cash flows
For the year ended 30 June 2014

	<u>Notes</u>	2014 \$	2013 \$
Cash flows from operating activities			
Receipts from customers		834,700	783,402
Payments to suppliers and employees		(732,992)	(732,917)
Dividend revenue received		2,487	2,256
Borrowing Costs		(36,835)	(36,341)
Interest received		5,852	7,147
Income tax paid		(17,430)	(7,865)
Net cash provided by operating activities	18b	55,782	15,682
Cash flows from investing activities			
Purchase of intangible assets		(11,983)	
Proceeds from sale of property, plant & equipment		-	11,152
Purchase of investments		-	(1,580)
Proceeds from sale of investments		12,185	64,015
Purchase of property, plant & equipment		(130,322)	(39,272)
Net cash flows used in investing activities		(130,120)	34,315
Cash flows from financing activities			
Proceeds from borrowings		105,000	(58,393)
Repayment of borrowings		(42,340)	-
Net movement in WRCFS investment		13,901	14,150
Dividends paid		-	-
Net cash provided by financing activities		76,561	(44,243)
Net increase/(decrease) in cash held		2,223	5,754
Cash and cash equivalents at beginning of financial year		382,813	377,059
Cash and cash equivalents at end of financial year	18a	385,036	382,813

The accompanying notes form part of these financial statements

Coleambally Finance Group Limited
ABN 52 086 241 509
Notes to the financial statements
For the year ended 30 June 2014

These financial statements and notes represent those of Coleambally Finance Group Limited.

Coleambally Finance Group Limited ('the company') is a company limited by guarantee.

The financial statements were authorised for issue by the Directors on 24th September 2014.

1. Summary of significant accounting policies

(a) Basis of preparation

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.

Economic Dependency

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

The branches operate 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®** branches on behalf of Bendigo and Adelaide Bank Limited, however all transactions with customers conducted through the **Community Bank®** branches 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.

Coleambally Finance Group Limited
ABN 52 086 241 509
Notes to the financial statements
For the year ended 30 June 2014

1. Summary of significant accounting policies

(a) Basis of preparation

Economic Dependency (continued)

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

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

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

Current and deferred income tax expense is charged or credited 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.

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Notes to the financial statements
For the year ended 30 June 2014

1. Summary of significant accounting policies (continued)

(c) Fair value of assets and liabilities

The company measures 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 assets or would have to pay to transfer a liability in an orderly (i.e. 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 (i.e. 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 (i.e. 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.

The fair value of the liabilities and the entity's own equity instruments may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted, and where significant, are detailed in the respective note to the financial statements.

(d) Property, plant and equipment

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

Property

Freehold land and buildings are carried at their fair value (being the amount for which an asset could be exchanged between knowledgably, willing parties in an arm's length transaction), 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. Fair value is determined by reference to market based evidence, which is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date.

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.

Coleambally Finance Group Limited
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Notes to the financial statements
For the year ended 30 June 2014

1. Summary of significant accounting policies (continued)

(d) Property, plant and equipment (continued)

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 and equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses related to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount of 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. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets including buildings, but excluding freehold land if, is depreciated on a diminishing method over the asset's estimated useful life to the company commencing from the time the asset is held ready for use.

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

<i>Class of asset</i>	<i>Depreciation rate</i>
Buildings	2.5%
Furniture & Equipment	10 - 30%
Plant & equipment	10%
Motor Vehicle	22.5 - 30%

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.

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Notes to the financial statements
For the year ended 30 June 2014

1. Summary of significant accounting policies (continued)

(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 entities in 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 that other Standard.

(g) Goods and services tax (GST)

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

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Notes to the financial statements
For the year ended 30 June 2014

1. Summary of significant accounting policies (continued)

(h) Employee benefits (continued)

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.

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) Intangibles

Establishment 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 three 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

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, dividend 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 include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

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Notes to the financial statements
For the year ended 30 June 2014

1. Summary of significant accounting policies (continued)

(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) Borrowing costs

Borrowing costs are recognised in profit or loss in the period in which they are incurred.

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

Employee benefits

The company adopted AASB 119: Employee Benefits (September 2011) and AASB 2011-10: Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) from the mandatory application date of 1 January 2013. The company has applied these Standards retrospectively in accordance with AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors and the transitional provisions of AASB 119 (September 2011).

For the purpose of measurement, AASB 119 (September 2011) defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services. In accordance with AASB 119 (September 2011), provisions for short-term employee benefits are measured at the (undiscounted) amounts expected to be paid to employees when the obligation is settled, whereas provisions that do not meet the criteria for classification as short-term (other long-term employee benefits) are measured at the present value of the expected future payments to be made to employees.

As the company expects that all of its employees would use all of their annual leave entitlements earned during a reporting period before 12 months after the end of the reporting period, adoption of AASB 119 (September 2011) did not have a material impact on the amounts recognised in respect of the company's employee provisions. Note also that adoption of AASB 119 (September 2011) did not impact the classification of leave entitlements between current and non-current liabilities in the company's financial statements.

AASB 119 (September 2011) also introduced changes to the recognition and measurement requirements applicable to termination benefits and defined benefit plans. As the company did not have any of these types of obligations in the current or previous reporting periods, these changes did not impact the company's financial statements.

Fair value measurement

The company has applied AASB 13: Fair Value Measurement and the relevant consequential amendments arising from the related Amending Standards prospectively from the mandatory application date of 1 January 2013 and in accordance with AASB 108 and the specific transitional requirements in AASB 13.

AASB 13 defines fair value, sets out in a single Standard a framework for measuring fair value, and requires disclosures about fair value measurement.

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Notes to the financial statements
For the year ended 30 June 2014

1. Summary of significant accounting policies (continued)

(o) New and amended accounting policies adopted by the company (continued)

No material adjustments to the carrying amounts of any of the company's assets or liabilities were required as a consequence of applying AASB 13. Nevertheless, AASB 13 requires enhanced disclosures regarding assets and liabilities that are measured at fair value and fair values disclosed in the company's financial statements.

The disclosure requirements in AASB 13 need not be applied by the company in the comparative information provided for periods before initial application of AASB 13 (that is, periods beginning before 1 January 2013). However, as some of the disclosures now required under AASB 13 were previously required under other Australian Accounting Standards, such as AASB 7: Financial Instruments: Disclosures, the company has provided this previously provided information as comparatives in the current reporting period.

(p) 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 9 *Financial Instruments* and associated Amending Standards (applicable for annual reporting periods commencing on or after 1 January 2017).

This Standard will be applicable retrospectively and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

Although the Directors anticipate that the adoption of AASB 9 may have an impact on the company's financial instruments, it is impractical at this stage to provide a reasonable estimate of such impact.

(ii) AASB 2012-3: *Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities* (applicable for annual reporting periods commencing on or after 1 January 2014).

This Standard provides clarifying guidance relating to the offsetting of financial instruments, which is not expected to impact the company's financial statements.

(iii) AASB 2013-3: *Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets* (applicable for annual reporting periods commencing on or after 1 January 2014).

This Standard amends the disclosure requirements in AASB 136: *Impairment of Assets* pertaining to the use of fair value in impairment assessment and is not expected to significantly impact the company's financial statements.

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1. Summary of significant accounting policies (continued)

(q) Loans and borrowings

All loans are measured at the principal amount. Interest is recognised as an expense as it accrues.

(r) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which is probable that the outflow of economic benefits will result and the outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

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

(s) Comparative figures

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

(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 changes 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 new 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.

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Notes to the financial statements
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1. Summary of significant accounting policies (continued)

(t) Critical accounting estimates and judgements (continued)

Employee benefits provision

Assumptions required for wage growth and CPI movements. The likelihood of employees reaching unconditional service is estimated. Treatment of leave under updated AASB 119 standard.

Income tax

The company is subject to income tax. Significant judgement is required in determining the deferred tax asset or the provision for income tax liability. 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.

(u) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to the profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method or cost.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discount estimated future cash payments or receipts over the expected life (or where this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability.

1. Summary of significant accounting policies (continued)

(v) Financial instruments (continued)

(i) Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(ii) Financial liabilities

Non derivative financial liabilities are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

A financial asset (or group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of financial assets carried at amortised cost loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency on interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial asset is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition of financial instruments

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

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Notes to the financial statements
For the year ended 30 June 2014

	2014	2013
	\$	\$
2. Revenue and other income		
Revenue		
- gross margin income	407,421	395,308
- commissions	358,960	354,369
	<u>766,381</u>	<u>749,677</u>
Other revenue		
- interest received	5,852	7,147
- other revenue	5,225	14,271
	<u>11,077</u>	<u>21,418</u>
Total revenue	<u>777,458</u>	<u>771,095</u>
3. Expenses		
Employee benefits expense		
- wages and salaries	353,746	348,681
- superannuation costs	42,533	41,264
- other costs	6,688	-
	<u>402,967</u>	<u>389,945</u>
Depreciation of non-current assets:		
- plant and equipment	6,860	8,424
- buildings	3,724	1,650
- motor vehicles	11,206	7,933
- property improvements	619	634
Amortisation of non-current assets:		
- intangible assets	28,412	5,585
	<u>50,821</u>	<u>24,226</u>
Finance costs:		
- Interest paid	36,835	36,341
Bad debts	11	21
Other expenses:		
- Audit Fees	10,416	6,060
- Commissions paid	29,747	30,021
- Computer software & supplies	22,087	21,584
- Financial accounting services	17,676	25,672
- Freight & cartage	24,743	24,810
- Insurance	12,839	20,429
- Legal fees	8,878	4,252
- Motor vehicle expenses	10,787	7,432
- Postage, printing & stationary	11,212	10,563
- Travel expenses	9,180	5,417
- Other expenses	67,992	61,899
	<u>225,557</u>	<u>218,139</u>

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Notes to the financial statements
For the year ended 30 June 2014

	2014	2013
	£	£
4. Tax Expense		
a. The components of tax expense/(income) comprise		
- current tax expense/(income)	23,003	19,108
- deferred tax expense/(income) relating to the origination and reversal of temporary differences	(20,506)	-
- recoupment of prior year tax losses	-	-
- adjustments for under/(over)-provision of current income tax of previous years	-	-
	<u>2,497</u>	<u>19,108</u>
b. 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 30% (2013: 30%)	9,980	16,495
Add tax effect of:		
- Adjustments in respect of current income tax of previous year	-	-
- Utilisation of previously unrecognised carried forward tax losses	-	-
- Non-deductible expenses	(7,483)	2,613
<i>Current income tax expense</i>	<u>2,497</u>	<u>19,108</u>
Income tax attributable to the entity	<u>2,497</u>	<u>19,108</u>
The applicable weighted average effective tax rate is	7.50%	34.75%
5. Auditors' remuneration		
Remuneration of the Auditor for:		
- Audit or review of the financial report for the year ended 30 June 2014	<u>7,080</u>	<u>6,780</u>
	<u>7,080</u>	<u>6,780</u>

Coleambally Finance Group Limited
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 Notes to the financial statements
 For the year ended 30 June 2014

	2014	2013
	\$	\$
6. Cash and cash equivalents		
Current		
Cash at bank and on hand	<u>57,509</u>	<u>55,451</u>
Non Current		
Cash at bank and on hand	<u>327,527</u>	<u>327,362</u>
	<u>385,036</u>	<u>382,813</u>

The Company has received pledges (Note 17). A condition of the pledge is the funds must be held separately. As these funds will not be available for the Company's use, they are disclosed as a non-current asset.

7. Trade and other receivables

Current		
Trade debtors	74,702	68,586
Other assets		
- Prepayments	7,031	2,669
- Accrued income	753	-
- Rental bond	528	528
	<u>83,014</u>	<u>71,783</u>

Credit risk

The company has no significant concentration of credit risk with respect to any single counterparty or group of counterparties other than those receivables specifically provided for and mentioned within this note. The main sources of credit risk to the company are considered to relate to the classes of assets described as trade and other receivables and "loans" (see Note 12).

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.

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 Notes to the financial statements
 For the year ended 30 June 2014

7. Trade and other receivables (continued)

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

2014	Gross amount	Past due and impaired	Past due but not impaired			Not past due
			< 30 days	31-60 days	> 60 days	
Trade receivables	74,702	-	-	-	-	74,702
Total	74,702	-	-	-	-	74,702
2013						
Trade receivables	68,586	-	-	-	-	68,586
Total	68,586	-	-	-	-	68,586

8. Investments and other financial assets	2014 \$	2013 \$
Current		
- Australian term deposits > 3 months*	60,010	85,150
- Listed shares at market value	40,809	27,854
	<u>100,819</u>	<u>113,004</u>

*The effective interest rate on term deposits was 3.35% (2013:4.10%) and these deposits have an average maturity of 182 days.

9. Property, plant and equipment

<i>Land - 1 Brolga Place</i>	24,000	24,000
<i>Land - 33 Brolga Place</i>	30,000	-
At cost	<u>54,000</u>	<u>24,000</u>
<i>Buildings</i>		
At cost	162,699	66,000
Less accumulated depreciation	(5,374)	(1,650)
	<u>157,325</u>	<u>64,350</u>
<i>Property improvements</i>		
At cost	31,175	28,189
Less accumulated depreciation	(4,071)	(3,452)
	<u>27,104</u>	<u>24,737</u>

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	2014	2013
	\$	\$
9. Property, plant and equipment (continued)		
<i>Plant and equipment</i>		
At cost	139,508	132,853
Less accumulated depreciation	<u>(95,712)</u>	<u>(88,852)</u>
	<u>43,796</u>	<u>44,001</u>
<i>Motor Vehicles</i>		
At cost	71,794	89,257
Less accumulated depreciation	<u>(38,047)</u>	<u>(45,000)</u>
	<u>33,747</u>	<u>44,257</u>
Total written down amount	<u><u>315,972</u></u>	<u><u>201,345</u></u>
Movements in carrying amounts		
<i>Land - 1 Brolga Place</i>		
Balance at the beginning of the reporting period	24,000	24,000
Additions	-	-
Disposals	-	-
Balance at the end of the reporting period	<u><u>24,000</u></u>	<u><u>24,000</u></u>
<i>Land - 33 Brolga Place</i>		
Balance at the beginning of the reporting period	-	-
Additions	30,000	-
Disposals	-	-
Balance at the end of the reporting period	<u><u>30,000</u></u>	<u><u>-</u></u>
<i>Buildings</i>		
Balance at the beginning of the reporting period	64,350	66,000
Additions	96,699	-
Disposals	-	-
Depreciation expense	<u>(3,724)</u>	<u>(1,650)</u>
Balance at the end of the reporting period	<u><u>157,325</u></u>	<u><u>64,350</u></u>
<i>Property Improvements</i>		
Balance at the beginning of the reporting period	24,737	25,371
Additions	2,986	-
Disposals	-	-
Depreciation expense	<u>(619)</u>	<u>(634)</u>
Balance at the end of the reporting period	<u><u>27,104</u></u>	<u><u>24,737</u></u>
<i>Plant and equipment</i>		
Balance at the beginning of the reporting period	44,001	50,660
Additions	6,656	-
Disposals	-	-
Addition Interest in WRCFS 60%	-	1,765
Depreciation expense	<u>(6,861)</u>	<u>(8,424)</u>
Balance at the end of the reporting period	<u><u>43,796</u></u>	<u><u>44,001</u></u>

Coleambally Finance Group Limited
 ABN 52 086 241 509
 Notes to the financial statements
 For the year ended 30 June 2014

	2014	2013
	\$	\$
9. Property, plant and equipment (continued)		
<i>Motor Vehicles</i>		
Balance at the beginning of the reporting period	44,257	14,683
Additions	696	-
Disposals	-	-
Addition Interest in WRCFS 60%	-	37,507
Depreciation expense	(11,206)	(7,933)
Balance at the end of the reporting period	<u>33,747</u>	<u>44,257</u>
10. Intangible assets		
<i>Franchise fee</i>		
At cost	210,413	141,700
Less accumulated amortisation	(146,281)	(117,869)
	<u>64,132</u>	<u>23,831</u>
Movements in carrying amounts		
<i>Franchise fee</i>		
Balance at the beginning of the reporting period	23,831	29,416
Additions	68,713	-
Disposals	-	-
Amortisation expense	(28,412)	(5,585)
Balance at the end of the reporting period	<u>64,132</u>	<u>23,831</u>
11. Trade and other payables		
Current		
Unsecured liabilities:		
Trade creditors	19,098	26,984
GST Payable	6,019	8,292
Other creditors and accruals	17,312	21,419
	<u>42,429</u>	<u>56,695</u>
12. Borrowings		
Current		
Chattel mortgage	16,225	20,861
Less: Unexpired charges	(1,634)	(2,636)
	<u>14,591</u>	<u>18,225</u>
Bank overdraft	160,554	168,234
Bank loan	10,066	-
	<u>170,620</u>	<u>168,234</u>
	<u>185,211</u>	<u>186,459</u>
The company has an overdraft facility of \$196,050 which is subject to normal commercial terms and conditions		
Non Current		
Bank Loan - interest only	126,999	156,199
Bank Loan	93,108	-
	<u>220,107</u>	<u>156,199</u>

Coleambally Finance Group Limited
ABN 52 086 241 509
Notes to the financial statements
For the year ended 30 June 2014

	2014	2013
12. Borrowings (continued)	\$	\$

The Motor Vehicle Finance is a portion of Western Riverina Community Financial Services which is secured by a charge over the motor vehicle and a company guarantee.

The term loan \$126,999 (2013:\$156,199) is currently on interest only loan at a rate of 4.695% (2013:4.597%) and is secured by a general security deed.

The term loan \$103,174 is currently on fixed principal & interest only at a rate of 7.29% and is secured by mortgage over land & buildings.

13. Provisions

Employee benefits	<u>68,354</u>	<u>61,666</u>
Movement in employee benefits		
Opening balance	61,666	76,490
Additional provisions recognised	27,211	5,179
Amounts utilised during the year	<u>(20,523)</u>	<u>(20,003)</u>
Closing balance	<u>68,354</u>	<u>61,666</u>
Current		
Annual leave	29,094	26,513
Long-service leave	39,260	35,153
Total provisions	<u>68,354</u>	<u>61,666</u>

Provision for employee benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience the company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

Coleambally Finance Group Limited
ABN 52 086 241 509
Notes to the financial statements
For the year ended 30 June 2014

	2014	2013
	\$	\$
14. Taxation		
(a) Tax Asset		
Current		
Income Tax Refundable	-	2,320
	<u>-</u>	<u>2,320</u>
Non Current		
Deferred tax asset comprise:		
- Provisions	20,506	-
	<u>20,506</u>	<u>-</u>
(b) Tax Liability		
Income Tax Payable	3,253	-
	<u>3,253</u>	<u>-</u>
15. Other assets: investment in partnership		
Shared Net assets of the WRCFS Joint Venture	152,075	165,976
	<u>152,075</u>	<u>165,976</u>
<p>This balance represents the company's share of the net amount of assets and liabilities of Western Riverina Community Services Partnership.</p>		
16. Restricted Funds		
Pledges	<u>333,790</u>	<u>333,790</u>
<p>Coleambally Finance Group Limited is limited by guarantee. If the Company is wound up, the Constitution states that each member is required to contribute a maximum of \$10 each towards any outstanding obligations of the Company.</p>		
17. Equity		
<i>Retained earnings</i>		
Balance at the beginning of the reporting period	169,341	133,465
Profit after income tax	30,768	35,876
Balance at the end of the reporting period	<u>200,109</u>	<u>169,341</u>
<i>Asset revaluation reserve</i>		
Balance at the beginning of the reporting period	(3,078)	(10,234)
Increase in market value of shares	6,714	7,156
Balance at the end of the reporting period	<u>3,636</u>	<u>(3,078)</u>
Total Equity	<u>203,745</u>	<u>166,263</u>

Coleambally Finance Group Limited
ABN 52 086 241 509
Notes to the financial statements
For the year ended 30 June 2014

	2014	2013
	\$	\$
18. Statement of cash flows		
<i>(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</i>		
As per the statement of financial position	<u>385,036</u>	<u>382,813</u>
<i>(b) Reconciliation of profit after tax to net cash provided from/(used in) operating activities</i>		
Profit after income tax	30,768	35,876
Non cash items		
- Depreciation	22,409	18,641
- Amortisation	28,412	5,585
- Net (profit/loss) from sale of plant & equipment	-	(11,152)
Changes in assets and liabilities		
- (Increase) decrease in receivables	(11,231)	32,862
- (Increase) decrease in deferred tax asset	(20,506)	-
- (Increase) decrease in income tax receivable/payable	5,573	11,243
- Increase (decrease) in payables	(6,331)	(62,549)
- Increase (decrease) in provisions	6,688	(14,824)
Net cash flows from/(used in) operating activities	<u>55,782</u>	<u>15,682</u>
(c) Credit standby arrangement and loan facilities		

The company has a bank overdraft amounting to \$196,050 (2013: \$196,050). This may be terminated at any time at the option of the bank. At 30 June 2014, \$160,554.03 of this facility was used (2013: \$168,234). Variable interest rates apply to these overdraft and bill facilities.

Coleambally Finance Group Limited
ABN 52 086 241 509
Notes to the financial statements
For the year ended 30 June 2014

19. Related party transactions

The company's main related parties are as follows:

(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.

The totals of remuneration paid to Key Management Personnel of the company during the year are as follows:

	2014	2013
	\$	\$
Short-term employee benefits	87,935	87,925
Post-employment benefits	<u>11,773</u>	<u>11,553</u>
Total Key Management Personnel compensation	<u><u>99,708</u></u>	<u><u>99,478</u></u>

Short-term employee benefits

These amounts include fees and benefits paid to the non-executive Chairman and non-executive Directors as well as all salary, paid leave benefits, fringe benefits and cash bonuses awarded to executive directors and other Key Management Personnel.

Post-employment benefits

These amounts are the current year's estimated cost of providing the company's defined benefits scheme post-retirement, superannuation contributions made during the year and post-employment life insurance benefits

(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

Other than detailed below, no key management personnel or related party has entered into any contracts with the company. No Director fees have been paid as the positions are held on a voluntary basis.

The Coleambally Finance Group Limited has accepted the Bendigo and Adelaide Bank Limited's **Community Bank@** Directors Privileges package. The package is available to all Directors who can elect to avail themselves of the benefits based on their personal banking with the branch. There is no requirement to own Bendigo and Adelaide Bank Ltd shares and there is no qualification period to qualify to utilise the benefits.

The package mirrors the benefits currently available to Bendigo and Adelaide Bank Limited shareholders. The Directors have estimated the total benefits received from the Directors Privilege Package to be \$NIL for the year ended 30 June 2014.

Coleambally Finance Group Limited
ABN 52 086 241 509
Notes to the financial statements
For the year ended 30 June 2014

19. Related party transactions(continued)

(d) Key management personnel shareholdings

The number of ordinary shares in Coleambally Finance Group Limited held by each key management personnel of the company during the financial year is as follows:

	2014	2013
Anthony Howe	1,500	1,500
Sharon Sutherland	1,250	1,250
Kevan Boyle	1,350	1,350
Roy Brain	-	-
Kellie Pound	-	-
Adrian Hayes	5,000	5,000
Robert Kerr	-	-
John McFadyen	-	-

There was no movement in key management personnel shareholdings during the year. 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.

20. Events after the reporting period

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

21. Contingent liabilities and assets

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

22. 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 Coleambally, NSW. The company has a franchise agreement in place with Bendigo and Adelaide Bank Limited who account for 100% of the revenue (2013: 100%).

23. Company details

The registered office and principle place of business is:

1 Brolga Place
Coleambally NSW 2707

Coleambally Finance Group Limited
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Notes to the financial statements
For the year ended 30 June 2014

	2014	2013
	\$	\$
24. Lease commitments		
Operating lease commitments		
Non - cancellable operating leases contracted for but not capitalised in the financial statements.		
- Rent building 174 High Street Hillston		
Payable - minimum lease payments		
No later than 12 months	9,932	9,704
Between 12 months and 5 years*	39,912	1,618
Greater than 5 years	1,664	-
	51,508	11,322

*Future rental commitments are based on current rates, however in accordance with the rental agreement the current rates will increase in line with the CPI each year. The property lease commitment is a non cancellable operating lease with a term of 2 years, 4 months and 15 days, with rent payable monthly in advance. An option exists to renew the lease at the end of the term for an additional five year term which on expiry has an option for another additional 5 years. The first option was exercised on 2nd July 2014 to commence 3rd September 2014.

25. Fair value measurements

The company measures and recognises the following assets at fair value on a recurring basis after initial recognition:

- shares in listed companies

The company subsequently measures some items of freehold land and buildings at fair value on a non-recurring basis.

The company does not subsequently measure any liabilities at fair value on a non-recurring basis.

a. Fair value hierarchy

AASB 13: *Fair Value Measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

Fair values 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. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Coleambally Finance Group Limited
 ABN 52 086 241 509
 Notes to the financial statements
 For the year ended 30 June 2014

25. Fair value measurements (continued)

Valuation Techniques

The company selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the company are consistent with one or more of the following valuation approaches:

- *Market approach*: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- *Income approach*: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- *Cost approach*: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

a. Fair value hierarchy (continued)

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the company gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

The following tables provide the fair values of the company's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

		30 June 2014			
Note	Level 1	Level 2	Level 3	Total	
	\$	\$	\$	\$	
Recurring fair value measurements					
Securities held for trading (fair Value through profit or loss):					
- financial sector	40,809	-	-	40,809	
Total non-financial assets recognised at fair value on a recurring basis	40,809	-	-	40,809	
Non-recurring fair value measurements					
	-	-	-	-	
		30 June 2013			
Note	Level 1	Level 2	Level 3	Total	
	\$	\$	\$	\$	
Recurring fair value measurements					
Securities held for trading (fair Value through profit or loss):					
- financial sector	27,854	-	-	27,854	
Total non-financial assets recognised at fair value on a recurring basis	27,854	-	-	27,854	
Non-recurring fair value measurements					
	-	-	-	-	

Coleambally Finance Group Limited
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Notes to the financial statements
For the year ended 30 June 2014

26. Financial risk management

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	2014 \$	2013 \$
Financial assets			
Cash and cash equivalents	6	385,036	382,813
Trade and other receivables	7	74,702	68,586
Investments and other financial assets	8	100,819	113,004
Total financial assets		<u>459,738</u>	<u>451,399</u>
Financial liabilities			
Trade and other payables	11	42,429	56,695
Borrowings	12	244,764	174,424
Bank overdraft	12	160,554	168,234
Total financial liabilities		<u>447,747</u>	<u>399,353</u>

Financial risk management policies

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

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.

(a) Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. For the company it arises from receivables and cash assets.

Credit risk is managed through maintaining procedures that ensure, 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.

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 statement of financial position.

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

None of the assets of the company are past due (2013: nil past due) and based on historic default rates, the company believes that no impairment allowance is necessary in respect of assets not past due.

Coleambally Finance Group Limited
ABN 52 086 241 059
Notes to the financial statements
For the year ended 30 June 2014

26. Financial risk management (continued)

(a) Credit risk (continued)

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.

	2014	2013
	\$	\$
Cash and cash equivalents:		
A rated	385,036	382,813

(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.

In addition the company has established an overdraft facility of \$196,050 with Bendigo and Adelaide Bank Limited.

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:

		Total	Within 1 year	1 to 5 years	Over 5 years
30 June 2014	Note	\$	\$	\$	\$
Financial liabilities due					
Trade and other payables	11	42,429	42,429	-	-
Bank overdraft	12	160,554 *	160,554	-	-
Loans and borrowings	12	244,764	244,764	-	-
Total expected outflows		447,747	447,747	-	-
Financial assets - realisable					
Cash & cash equivalents	6	385,036	385,036	-	-
Trade and other receivables	7	74,702	74,702	-	-
Investments and other financial asset	8	100,819	100,819	-	-
Total anticipated inflows		560,557	560,557	-	-
Net inflow on financial instruments		112,810	112,810	-	-

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 Notes to the financial statements
 For the year ended 30 June 2014

26. Financial risk management (continued)

(b) Liquidity risk (continued)

30 June 2013		Total \$	Within 1 year \$	1 to 5 years \$	Over 5 years \$
Financial liabilities due					
Trade and other payables	11	56,695	56,695	-	-
Loans and borrowings	12	174,424	174,424	-	-
Bank overdraft	12	168,234 *	168,234	-	-
Total expected outflows		<u>399,353</u>	<u>399,353</u>	<u>-</u>	<u>-</u>
Financial assets - realisable					
Cash & cash equivalents	6	382,813	382,813	-	-
Trade and other receivables	7	68,586	68,586	-	-
Investments & other financial assets	8	113,004	113,004	-	-
Total anticipated inflows		<u>564,403</u>	<u>564,403</u>	<u>-</u>	<u>-</u>
Net inflow on financial instruments		<u>165,050</u>	<u>165,050</u>	<u>-</u>	<u>-</u>

* The Bank overdraft has no set repayment period and as such all has been included as current.

(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 borrowings, fixed interest securities, 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.

Coleambally Finance Group Limited
ABN 52 086 241 059
Notes to the financial statements
For the year ended 30 June 2014

26. Financial risk management (continued)

(c) Market risk (continued)

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

	Profit \$	Equity \$
Year ended 30 June 2014		
+/- 1% in interest rates (interest income)	2,245	2,245
	<u>2,245</u>	<u>2,245</u>
Year ended 30 June 2013		
+/- 1% in interest rates (interest income)	1,253	1,253
	<u>1,253</u>	<u>1,253</u>

The company has no exposure to fluctuations in foreign currency.

(d) Price risk

The company is not exposed to any material price risk.

Fair Values

The fair values of financial assets and liabilities approximate the carrying values as disclosed in the statement of financial position. Fair value is the amount at which an asset could be exchanged, or liability settled, between knowledgeable, willing parties in an arm's length transaction. The company does not have any unrecognised financial instruments at year end.

Coleambally Finance Group Limited
ACN 52 086 241 509
Directors' Declaration

In accordance with a resolution of the Directors of Coleambally Finance Group Limited, the Directors of the company declare that:

- 1 the financial statements and notes, as set out on pages 6 to 37 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 2014 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.



Adrian Hayes
Director

Signed at Coleambally on 24th September 2014.

26th September 2014

The Directors
Coleambally Finance Group Limited
1 Brolga Place
COLEAMBALLY NSW 2707

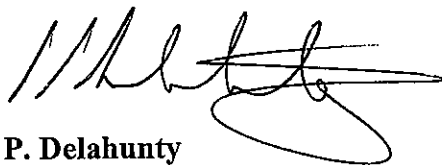
Dear Directors

To the Directors of Coleambally Finance Group Limited

Auditor's Independence Declaration under section 307C of the Corporations Act 2001

I declare that to the best of my knowledge and belief, during the year ended 30 June 2014 there has been no contraventions of:

- (i) the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.



P. P. Delahunty
Partner
Richmond Sinnott & Delahunty

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF COLEAMBALLY FINANCE GROUP LIMITED**

Report on the Financial Report

We have audited the accompanying financial report of Coleambally Finance Group Limited, which comprises the statement of financial position as at 30 June 2014, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the company.

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 Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards (IFRS).

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

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

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Coleambally Finance Group Limited, would be in the same terms if provided to the directors as at the time of this auditor's report.

Auditor's Opinion

In our opinion:

- (a) the financial report of Coleambally Finance Group Limited is in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- (b) the financial report also complies with the International Financial Reporting Standards as disclosed in Note 1.

RICHMOND SINNOTT & DELAHUNTY
Chartered Accountants



P. P. DELAHUNTY
Partner

Dated at Bendigo, 26th of September 2014

Coleambally **Community Bank*** Branch
1 Brolga Place, Coleambally NSW 2707
Phone: (02) 6954 4192 Fax: (02) 6954 4375
www.bendigobank.com.au/coleambally

Darlington Point Agency
21 Carrington Street, Darlington Point NSW 2706
Phone: (02) 6968 4166 Fax: (02) 6968 4252

Jerilderie Agency
35 Jerilderie Street, Jerilderie NSW 2716
Phone: (03) 5886 1200 Fax: (03) 5886 1701

Franchisee: Western Riverina Community Financial Services
Partnership
1 Brolga Place, Coleambally NSW 2707
Phone: (02) 6954 4192 Fax: (02) 6954 4375
ABN: 62 152 289 391

Partner: Coleambally Finance Group Limited
1 Brolga Place, Coleambally NSW 2707
Phone: (02) 6954 4192 Fax: (02) 6954 4375
ABN: 52 086 241 509

Partner: Hillston & District Financial Services Limited
174 High Street, Hillston NSW 2675
Phone: (02) 6967 1422 Fax: (02) 6967 1433
ABN: 44 107 725 977

