

COLERAINE & DISTRICT  
FINANCIAL SERVICES LIMITED  
ABN 77 102 030 017

2014  
Annual  
Report

Coleraine & District  
**Community Bank**<sup>®</sup> Branch

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## Chairman's Report For year ended 30 June 2014

In opening I wish to acknowledge all of my fellow Directors who have given their time so unstintingly over the past year. At our last Annual General Meeting (AGM), we farewelled Alexandra Kelso and Gill Fry. Since then we have welcomed Catherine Egan and Mark Templeton. We are indeed fortunate to have always been able to attract a strong pool of Directors to fill the roles.

After 11 years, it is good to revisit some key points.

### “What Makes Us Different?”

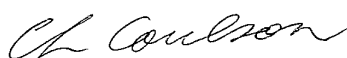
- Different ethos – although our **Community Bank®** branch works to make money, we know it is going back into community projects.
- Different attitude – our Manager and staff want to be different – they won't sell you a product that you don't need just to reach a 'target'. They won't let you over extend yourself and place your financial well being at risk.
- Different governance – Our local Board of Directors want this business to be successful so that it can return the profit that you have helped generate back into your community so that we maintain a sustainable and strong town and district.
- Different relationships – we look to add value by building ongoing relationships with customers. The branch has multiple products to suit you and wants a relationship that is not just built on price.
- Our enterprise introduces competition – if we can't win all the local business, then at least we are driving competition and keeping the others 'honest'. If our competitors offer you a better deal, then you know they should have done so years ago!

During this past financial year we have finalised our large commitment to the Coleraine Hospital solar hot water project, and we will now be able to strengthen our position with respect to further community Investments, as well as considering returns to shareholders. The whole community has received a dividend with the solar HWS project, as well as the considerable other projects supported.

	<b>2014</b>	<b>2013</b>
Profit before community grants:	\$86,789	\$55,247
Donations, grants, sponsorships	\$51,912	\$50,247
Profit before tax	\$34,877	\$5,000
Profit after tax	\$32,315	\$58
Total Equity	\$380,622	\$348,307

As well as giving the whole community a 'dividend' through projects such as Hospital, Men's Shed, Kindergarten, sporting groups, P & A Society, schools support, and infrastructure support, we have provided a 'service dividend' to the community with provision of personal banking services five weekdays plus Saturday mornings, with the ever popular ATM kept busy. Our expanding Rural Bank connections across the district provide another level of service to agricultural clients. We thank Jo Hogg and Hugh Macdonald for their work with Jeanette McDonnell and all staff, in reaching out to these clients.

The appointment of Scott Whatley as Regional Manager for the South West, has been very welcome, as Scott brings a wealth of experience. His support as we look to expand and strengthen, will be most appreciated.



**Coralie Coulson**  
**Chairman**  
**GAICD**

## ***Manager's Report***

### ***For year ended 30 June 2014***

I am pleased to present my fourth Annual Report as Branch Manager of Coleraine & District **Community Bank®** Branch. I am very grateful to have the opportunity to work with you all to grow our business so we can all be a part of investing back in to our community.

We enter our 11<sup>th</sup> year of operation with a total portfolio of \$68.4 million, 1,553 customers and holding 2,747 accounts at our branch. This year we aim to reach \$75 million and pass 3,000 accounts held.

We acknowledge and appreciate the support of our community and remind everyone that we offer a full suite of financial products and services. Can you also tell your friends, family and neighbours about us? This will assist us reach our growth goals and ensure continuing profits from our business are put back in to the community.

It is a pleasure to work with such dedicated staff – Janelle Tooley, Justin Bryant, Andrea McClure and Megan Mould. Megan started with us in May this year and has proven to be a valuable and enthusiastic team member. I thank them all for their support, loyalty and tireless efforts in their working roles and in their community.

I would like to thank our Chairman Coralie Coulson, Deputy Chairman Grant Little, Secretary John Kane and all the Board of Directors for their passion, drive and guidance and always making sure we are heading in the right direction.

Thank you to all our loyal customers, shareholders and partners for their belief in our **Community Bank®** model and remember “When you understand the concept, why wouldn't you bank with us?”



**Jeanette McDonnell**  
**Branch Manager**

# Bendigo and Adelaide Bank report

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For year ending 30 June 2014

The past year marked two very significant milestones for our **Community Bank**<sup>®</sup> network, celebrating the opening of its 300th branch while also reaching \$120 million in community contributions. Both achievements could not have been accomplished without your ongoing support as shareholders and customers.

The **Community Bank**<sup>®</sup> network has grown considerably since it was first launched in 1998, in partnership with the people from the western Victorian farming towns of Rupanyup and Minyip. For these communities the **Community Bank**<sup>®</sup> model was seen as a way to restore branch banking services to the towns, after the last of the major banks closed its doors.

Sixteen years later, the model has grown into something even bigger than that. It has rapidly developed into a partnership that generates a valued, alternative source of income for a community, funding activities or initiatives that make a local town or suburb a better place to live.

In June 2014, the network welcomed its 305th branch in Penola, South Australia, and in the same week, the Victorian coastal town of Port Fairy introduced its community to our unique style of banking. These branches join a robust and maturing banking network where valued partnerships enhance banking services, taking the profits their banking business generates and reinvesting that funding into initiatives that will ultimately strengthen their community.

The **Community Bank**<sup>®</sup> network has returned more than \$20 million in contributions to local communities in this financial year alone. Our branches have been able to fund projects that make a difference to a community; improved health services, sports programs, aged care facilities, education initiatives and community events that connect communities and encourage prosperity.

Demand from communities remains strong, with about 30 **Community Bank**<sup>®</sup> branch sites currently in development, and 10 branches expected to open nationally in the next 12 months. The network's steady expansion demonstrates the strength and relevance of a banking model where the desire to support the financial needs of customers is equalled by the desire to realise shared aspirations by harnessing the power of community.

At the end of the financial year 2013/14 the **Community Bank**<sup>®</sup> network had achieved the following:

- Returns to community – \$122.2 million
- **Community Bank**<sup>®</sup> branches – 305
- **Community Bank**<sup>®</sup> branch staff – more than 1,500
- **Community Bank**<sup>®</sup> company Directors – 1,900
- Banking business – \$24.46 billion
- Customers – 550,000
- Shareholders – 72,000
- Dividends paid to shareholders since inception – \$36.7 million.

The communities we partner with also have access to Bendigo and Adelaide Bank's extensive range of other community building solutions including the Community Enterprise Foundation<sup>™</sup> (philanthropic arm), Community Sector Banking (banking service for not-for-profit organisations), Generation Green<sup>™</sup> (environment and sustainability initiative), Community Telco<sup>®</sup> (telecommunications solution), tertiary education scholarships and Connected Communities Enterprises that provide **Community Bank**<sup>®</sup> companies with further development options.

## Bendigo and Adelaide Bank report (continued)

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In September last year the Bank announced it would commence a comprehensive review of the **Community Bank**<sup>®</sup> model. The intention of the review is to rigorously explore and analyse the model, setting the vision and strategy for a sustainable and successful commercial model, regardless of changes to operational and market conditions. An update of this review will be provided at the **Community Bank**<sup>®</sup> National Conference in Darwin in September.

Bendigo and Adelaide Bank's vision is to be Australia's most customer-connected bank. We believe our strength comes from our focus on the success of our customers, people, partners and communities. We take a 100-year view of our business; we respectfully listen and respond to every customer's choice, needs and objectives. We partner for sustainable long-term outcomes and aim to be relevant, connected and valued.

To this aim, the Bank supports the Financial Systems Inquiry (FSI) which calls for an even playing field for all banks in an effort to increase customer choice. It takes a principled approach to governing, encouraging banks to consider all members of a community when they do business.

Bendigo and Adelaide Bank is a signatory to the Regional Banking submission in collaboration with Bank of Queensland, Suncorp and ME Bank, while our independent submission focuses on the important role banks play in communities.

Banks inject a high-level of capability and knowledge in the places they operate, supporting the sustainability of communities and helping to ensure they're viable. The Bank calls for a framework that incentivises banks, and the people who work for them, to be good corporate citizens, while promoting ethical decision making, innovation and better outcomes for customers and communities.

This financial year we launched our new [www.bendigobank.com.au](http://www.bendigobank.com.au) website. Packed with useful information and easy to access online services, our 1.4 million customers can easily connect with us at home, at work or on their mobile or tablet as well as learn more about our commitment to strengthening and supporting local communities.

In line with increasing demand for "anywhere, anytime" banking, we're excited about the impending introduction of our improved online banking platform to our customers later this year.

As **Community Bank**<sup>®</sup> shareholders you are part of something special, a unique banking movement founded on a whole new way of thinking about banking and the role it plays in modern society.

The **Community Bank**<sup>®</sup> model is the ultimate example of a win/win partnership and I thank you for your important support of your local **Community Bank**<sup>®</sup> branch.



**Robert Musgrove**  
**Executive Community Engagement**

**COLERAINE AND DISTRICT FINANCIAL SERVICES LIMITED**

**Community Grants, Donations & Sponsorships**

**Approved For Year ended 30<sup>th</sup> June 2014**

**Community Grants:**

- |   |          |                 |
|---|----------|-----------------|
| • Final instalment to Coleraine & District Hospital for solar water heating | \$34,000 |                 |
| • Coleraine Men's Shed – fit out of new shed                                | \$5,000  |                 |
| • Coleraine Bowling Club – renovations to toilets                           | \$5,000  | <b>\$44,000</b> |

**Schools:**

- |  |         |                |
|--|---------|----------------|
| • Balmoral Secondary College - Memorial garden seat & plaque | \$355   |                |
| • St Joseph's School Fete Raffle                             | \$300   |                |
| • Coleraine Kindergarten – 3 year old kinder sessions        | \$5,000 |                |
| • Year 6 Graduation Bursaries (12 students 3 schools)        | \$1,200 | <b>\$6,855</b> |

**Sporting:**

- |   |         |                 |
|---|---------|-----------------|
| • Harrow/Balmoral Football & Netball Club (2 year deal)   |         | \$5,500         |
| • Balmoral and District Angling Club                      | \$300   |                 |
| • Balmoral Rodeo  | \$500   |                 |
| • Coleraine Football & Netball Club (4 year deal)         | \$3,000 |                 |
| • Coleraine Bowling Club                                  | \$200   |                 |
| • Coleraine Golf Club                                     | \$1,200 |                 |
| • Coleraine Racing Club                                   | \$1,750 |                 |
| • Barwon South West Skate tournament – half cost          | \$400   |                 |
| • Casterton Little Athletics – rubber surface for jumps   | \$750   |                 |
| • Hamilton and District Cricket Association (3 year deal) | \$500   |                 |
| • Merino Golf Club  | \$300   |                 |
| • Mocka's Boxing Club Raffle                              | \$200   |                 |
| • Tahara Cricket Club (synthetic pitch)                   | \$500   | <b>\$15,100</b> |

**Community:**

- |   |         |                 |
|---|---------|-----------------|
| • Balmoral Lions Club - Show 'n' Shine                                      | \$250   |                 |
| • Casterton - Edgarley Homes (TENS machine)                                 | \$180   |                 |
| • Coleraine & District Development Association..storage, Art Show, Carnival | \$1,180 |                 |
| • Coleraine Lions Club  | \$300   |                 |
| • Coleraine P & A Society   | \$1,750 |                 |
| • Coleraine Swimming Pool Committee   | \$300   |                 |
| • Community Car Petrol (Hospital)   | \$1,000 |                 |
| • Men's Shed Rental   | \$5,200 |                 |
| • Pedal Car Grand Prix  | \$5,000 |                 |
| • Pigeon Ponds CFA – former tanker purchase                                 | \$1,000 |                 |
| • Promenade of Sacred Music (silver sponsor)                                | \$300   |                 |
| • Merino Community Festival   | \$750   |                 |
| • Stumpy Gully Bush Band (insurance cover)                                  | \$940   |                 |
| • Victoria Police –drug forum   | \$500   |                 |
| • "Magic Moments" – 2 students for Leadership Course                        | \$2,500 |                 |
| • "AustDrive" – driver education program                                    | \$1,700 | <b>\$22,850</b> |

**Charitable:**

- |                                      |       |                |
|--------------------------------------|-------|----------------|
| • Tammy Hudson Trust                 | \$500 |                |
| • Coleraine Ambulance - Air Mattress | \$409 |                |
| • Needy family in Casterton          | \$500 | <b>\$1,409</b> |

**Marketing:**

- |                           |         |                |
|---------------------------|---------|----------------|
| • Advertising             | \$435   |                |
| • Bus for Sheepvention    | \$400   |                |
| • Collaborative Marketing | \$6,000 | <b>\$6,835</b> |

**GRAND TOTAL: \$97,049**

\*\* The above projects were approved by the Board during 2013/14 and some will be expended in 2014/15 \*\*

**Coleraine & District Financial Services Limited**  
**ACN 102 030 017**  
**Directors' Declaration**

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

- 1 the financial statements and notes, as set out on pages 6 to 30 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.



Director

Signed at Coleraine on 4 September 2014.



**Coleraine & District Financial Services Limited**  
**ACN 102 030 017**  
**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 Coleraine & District Financial Services Limited during or since the end of the financial year up to the date of this report:

<b>Name and position held</b>	<b>Qualifications</b>	<b>Experience and other Directorships</b>
<b>Alexandra Louise Kelso</b> Director Appointed: 18/10/2005 Resigned: 29/10/2013		Farming operation; Office/business administration experience; club involvement over many years.
<b>Coralie Louise Coulson</b> Chairperson Appointed: 14/10/2002	Diploma: Orthoptics, Australian College of Ophthalmology. 1974  Graduate Australian Institute Company Directors 2010	Employed as an Orthoptist in private Ophthalmological practices & Adelaide Children's Hospital 1975-1981  Practice Manager, Coleraine Casterton Medical, 1997-2003 Councillor, Southern Grampians Shire Council 2004-2008 Other Directorships: Director, Glenelg Hopkins Catchment Management Authority 2009 - 2013. Director, Great South Coast Group (Regional Development body) 2012 - current
<b>Elizabeth Mary Britten</b> Director Appointed: 13/11/2008	BA,B Mus, Dip Ed (Melb Uni)	Teacher, St Catherine's School, Toorak 2 yrs Volunteer with OSB in PNG 2 years Principal, the Hermitage in Geelong, Assistant to Head Master at GGS; Research Assistant Educ. Dept. Melb; Principal Shelford Grammar, Caulfield until retirement in 1991.
<b>Grant James Little</b> Director Appointed: 23/11/2004	Graduate Diploma of Strategic Business. Masters of Business Management	15 years managing Nareen Station Pty Ltd; Chairman Coleraine Hospital Advisory Committee; local CFA Captain.
<b>Gregory Hodgson</b> Director Appointed: 22/06/2010		Self Employed farmer most of my working life and involvement in various community groups over many decades, particularly CFA and Landcare.
<b>John Thomas Kane</b> Director / Company Secretary  Appointed: 12/09/2002	Gentleman	25 year career in the Victorian Public Service in various senior management positions with the Departments of Agriculture, Health, Education, Conservation Forests & Lands and Business and Employment. Extensive involvement with sporting and community groups over decades. Self employed farmer since 1996.

**Coleraine & District Financial Services Limited**  
**ACN 102 030 017**  
**Directors' report**

<b>Quentin Arthur Baudinette</b> Director Appointed: 12/09/2002		28 years as carpenter and joiner and Director of Coleraine Joinery & Building Supplies Pty Ltd.
<b>Timothy James Johnston</b> Treasurer Appointed: 26/05/2009	B.Ru.Sc. (Hons)	Principal Waradgery Pastoral Co & Manager Kowarna Partnership; Director Gambeth Nominees & Hambledon Investments (family companies). Community involvement including CFA and Pony Club.
<b>Valerie Joyce Lawson</b> Director Appointed: 28/04/2009	Diploma of Management	40 years experience in fashion, footwear, jewellery & carpet businesses. Many years associated with various community groups.
<b>Simon Roderick Ferrier</b> Director Appointed: 26/02/2013	Advanced Diploma in Applied Science (Farm Management)	Training co-ordinator at RIST, Lecturer/Project Officer at Murrumbidgee College of Agriculture, Consultant World Food Program (Cambodia & Thailand), Teacher in PNG, Mechanic with Dept. Crown Lands & Survey.
<b>Gill Fry</b> Director  Appointed: 24/07/2012  Resigned: 29/10/2013	B.Ag.Sc(hons), Dip Bus Mgt.	Principal Consultant of Network SW Consulting. Twenty years experience in project management, community engagement, strategic planning and communications in sustainable agriculture and natural resource management. Artistic graphic designer and photographer. Executive Officer Soil Health Group. Facilitation and negotiation experience.
<b>Catherine Susan Egan</b> Director Appointed: 27/05/2014	Bachelor of Arts / Bachelor of Teaching	Four years teaching at Dimboola – Pimpinio PS. Currently teaching at St Joseph's, Coleraine (7 years) School Advisory Council, Parent Association, Curriculum Co-ordinator; active member of various community and sporting groups.
<b>Mark Templeton</b> Director  Appointed: 27/05/2014	B. Business (Property) Agents Rep. Real Estate	Director, H M Templeton Pastoral Co; prior to my farming career I was employed as a property valuer with a local company; active member of various community and sporting groups over many years.

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

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

**Review of operations**

The profit/(loss) of the company for the financial year after provision for income tax was \$32,315 (2013 profit/(loss): \$58).

The net assets of the company have increased to \$380,622 (2013: \$348,307).

**Coleraine & District Financial Services Limited**  
**ACN 102 030 017**  
**Directors' report**

<b>Dividends</b>	<b>Year ended 30 June 2014</b>	
	<b>Cents per share</b>	<b>\$</b>
Dividends paid in the year (interim /or final) dividend:	0	0

**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 a remuneration policy developed as executive directors receive a nominal amount for their All other positions are held on a voluntary basis and those directors do not receive remuneration.

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.

The Coleraine & District Financial Services 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 \$0 for the year ended 30 June 2014. The estimated benefit per Director is as follows:

<b>Remuneration report (continued)</b>	<b>2014</b>
Alexandra Louise Kelso	750
Coralie Louise Coulson	2,000
John Thomas Kane	1,500
Tim Johnston	2,000
Elizabeth Britten	500
	<u>6,750</u>

## Coleraine & District Financial Services Limited

ACN 102 030 017

### 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 incurred 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 11. Attendances by each Director during the year were as follows:

Director	Board meetings #
Alexandra Louise Kelso	4 (4)
Coralie Louise Coulson	10 (11)
Elizabeth Mary Britten	11 (11)
Grant James Little	10 (11)
Gregory Hodgson	8 (11)
John Thomas Kane	11 (11)
Quentin Arthur Baudinette	11 (11)
Tim Johnston	9 (11)
Valerie Joyce Lawson	9 (11)
Simon Ferrier	9 (11)
Gill Fry	1 (4)
Catherine Egan	2 (2)
Mark Templeton	1 (2)

# 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.

**Coleraine & District Financial Services Limited**  
**ACN 102 030 017**  
**Statement of Profit or Loss and Other Comprehensive Income**  
**for the year ended 30 June 2014**

	<u>Notes</u>	<b>2014</b> <b>\$</b>	<b>2013</b> <b>\$</b>
Revenue	2	538,711	506,410
Employee benefits expense	3	(263,443)	(257,807)
Depreciation and amortisation expense	3	(17,859)	(16,244)
Finance costs	3	(5)	-
Bad and doubtful debts expense	3	(24)	(589)
Other expenses		<u>(170,591)</u>	<u>(176,523)</u>
<b>Operating profit/(loss) before charitable donations &amp; sponsorships</b>		86,789	55,247
Charitable donations and sponsorships		<u>(51,912)</u>	<u>(50,247)</u>
<b>Profit/(loss) before income tax expense</b>		34,877	5,000
Tax expense / (benefit)	4	<u>(2,562)</u>	<u>(4,942)</u>
<b>Profit/(loss) for the year</b>		32,315	58
Other comprehensive income		<u>-</u>	<u>-</u>
<b>Total comprehensive income</b>		<u><u>32,315</u></u>	<u><u>58</u></u>
Profit/(loss) attributable to:			
Members of the company		<u>-</u>	<u>-</u>
Total		<u><u>32,315</u></u>	<u><u>58</u></u>
<b>Earnings per share (cents per share)</b>			
- basic for profit / (loss) for the year	21	6.88	0.01
- diluted for profit / (loss) for the year	21	6.88	0.01

**Coleraine & District Financial Services Limited**  
**ACN 102 030 017**  
**Statement of Financial Position**  
**As at 30 June 2014**

	<u>Notes</u>	<b>2014</b> <b>\$</b>	<b>2013</b> <b>\$</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	230,817	169,304
Trade and other receivables	7	48,263	45,004
Other assets	8	7,067	13,417
<b>Total current assets</b>		<u>286,147</u>	<u>227,725</u>
<b>Non-current assets</b>			
Property, plant and equipment	9	82,367	86,162
Deferred tax asset	4	8,112	10,674
Intangible assets	10	53,213	67,277
<b>Total non-current assets</b>		<u>143,692</u>	<u>164,113</u>
<b>Total assets</b>		<u>429,839</u>	<u>391,838</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	11	29,218	25,647
Provisions	12	18,658	17,223
<b>Total current liabilities</b>		<u>47,876</u>	<u>42,870</u>
<b>Non current liabilities</b>			
Provisions	12	1,341	661
<b>Total non current liabilities</b>		<u>1,341</u>	<u>661</u>
<b>Total liabilities</b>		<u>49,217</u>	<u>43,531</u>
<b>Net assets / (liabilities)</b>		<u>380,622</u>	<u>348,307</u>
<b>Equity</b>			
Issued capital	13	469,472	469,472
Retained earnings / (accumulated losses)	14	(88,850)	(121,165)
<b>Total equity</b>		<u>380,622</u>	<u>348,307</u>

**Coleraine & District Financial Services Limited**  
**ACN 102 030 017**  
**Statement of Changes in Equity**  
**for the year ended 30 June 2014**

		<b>Issued capital \$</b>	<b>Retained earnings \$</b>	<b>Total equity \$</b>
<b>Balance at 1 July 2012</b>		<b>469,472</b>	<b>(88,360)</b>	<b>381,112</b>
Total comprehensive income for the year		-	58	58
Shares issued during the year		-	-	-
Dividends paid or provided	22	-	(32,863)	(32,863)
<b>Balance at 30 June 2013</b>		<b>469,472</b>	<b>(121,165)</b>	<b>348,307</b>
<b>Balance at 1 July 2013</b>		<b>469,472</b>	<b>(121,165)</b>	<b>348,307</b>
Total comprehensive income for the year		-	32,315	32,315
Shares issued during the year		-	-	-
Dividends paid or provided	22	-	-	-
<b>Balance at 30 June 2014</b>		<b>469,472</b>	<b>(88,850)</b>	<b>380,622</b>

**Coleraine & District Financial Services Limited**  
**ACN 102 030 017**  
**Statement of Cash Flows**  
**For the year ended 30 June 2014**

	<u>Notes</u>	<b>2014</b> <b>\$</b>	<b>2013</b> <b>\$</b>
<b>Cash flows from operating activities</b>			
Receipts from customers		530,628	504,169
Payments to suppliers and employees		(473,939)	(485,000)
Interest received		4,824	7,538
<b>Net cash provided by/(used in) operating activities</b>	15b	<u>61,513</u>	<u>26,707</u>
<b>Cash flows from investing activities</b>			
Purchase of franchise fees		-	(70,321)
<b>Net cash flows from/(used in) investing activities</b>		<u>-</u>	<u>(70,321)</u>
<b>Cash flows from financing activities</b>			
Dividends paid		-	(32,863)
<b>Net cash provided by/(used in) financing activities</b>		<u>-</u>	<u>(32,863)</u>
<b>Net Increase/(decrease) in cash held</b>		61,513	(76,477)
Cash and cash equivalents at beginning of financial year		169,304	245,781
<b>Cash and cash equivalents at end of financial year</b>	15a	<u>230,817</u>	<u>169,304</u>

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

**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.



**Coleraine & District Financial Services Limited**  
**ACN 102 030 017**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2014**

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

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

The financial statements were authorised for issue by the Directors on 4 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.

### **(b) Income tax**

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

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

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

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

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

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

### **(c) Fair value of assets and liabilities**

The company 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.

**Coleraine & District Financial Services Limited**  
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**For the year ended 30 June 2014**

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

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**Coleraine & District Financial Services Limited**  
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**1. Summary of significant accounting policies (continued)**

**(c) Fair value of assets and liabilities (continued)**

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.

**(d) Property, plant and equipment (continued)**

*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.

**Coleraine & District Financial Services Limited**  
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**1. Summary of significant accounting policies (continued)**

**(d) Property, plant and equipment (continued)**

*Depreciation*

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

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

<i>Class of asset</i>	<i>Depreciation rate</i>
Leasehold improvements	4-5%
Plant & equipment	10-20%

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

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

**(e) Leases**

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset - but not the legal ownership - are transferred to 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.

**Coleraine & District Financial Services Limited**  
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**1. Summary of significant accounting policies (continued)**

**(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.

*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.

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**For the year ended 30 June 2014**

**1. Summary of significant accounting policies (continued)**

**(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.

**(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 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.

**Coleraine & District Financial Services Limited**  
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**For the year ended 30 June 2014**

**1. Summary of significant accounting policies (continued)**

**(o) New accounting standards for application in future periods (continued)**

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.

**(p) Loans and borrowings**

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

**(q) 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.

**Coleraine & District Financial Services Limited**  
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**For the year ended 30 June 2014**

**1. Summary of significant accounting policies (continued)**

**(r) Share capital**

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

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

*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.



**Coleraine & District Financial Services Limited**  
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**For the year ended 30 June 2014**

**1. Summary of significant accounting policies (continued)**

**(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.

**(u) Financial instruments (continued)**

*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.

(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.

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**1. Summary of significant accounting policies (continued)**

**(u) Financial instruments (continued)**

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.

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
<b>2. Revenue and other income</b>		
Revenue		
- services commissions	115,074	113,487
- other revenue	418,813	384,720
	<u>533,887</u>	<u>498,207</u>
Other revenue		
- interest received	4,824	8,203
	<u>4,824</u>	<u>8,203</u>
Total revenue	<u>538,711</u>	<u>506,410</u>
<b>3. Expenses</b>		
Employee benefits expense		
- wages and salaries	240,104	233,338
- superannuation costs	20,423	19,733
- employee entitlements	2,116	4,111
- other costs	800	625
	<u>263,443</u>	<u>257,807</u>
Depreciation of non-current assets:		
- plant and equipment	1,129	1,158
	2,666	2,666
Amortisation of non-current assets:		
- intangible assets	14,064	12,420
	<u>17,859</u>	<u>16,244</u>

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	<b>2014</b>	<b>2013</b>
<b>4. Tax Expense</b>	<b>\$</b>	<b>\$</b>
a. The components of tax expense/(income) comprise		
- current tax expense/(income)	-	-
- deferred tax expense/(income) relating to the origination and reversal of temporary differences	-	-
- recoupment of prior year tax losses		
- adjustments for under/(over)-provision of current income tax of previous years	-	-
	<u>-</u>	<u>-</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%)	10,463	1,500
Add tax effect of:		
- Non-deductible expenses	(13,025)	3,442
<i>Current income tax expense</i>	<u>(2,562)</u>	<u>4,942</u>
Income tax attributable to the entity	<u>(2,562)</u>	<u>4,942</u>
The applicable weighted average effective tax rate is	-7.35%	-98.84%

**Deferred tax asset**

Future income tax benefits arising from tax losses are recognised at reporting date as realisation of the benefit is regarded as probable.

	<u>8,112</u>	<u>10,674</u>
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The applicable income tax rate is the Australian Federal tax rate of 30% (2013: 30%) applicable to Australian resident companies.

**5. Auditors' remuneration**

Remuneration of the Auditor for:

- Audit or review of the financial report	<u>2,640</u>	<u>2,525</u>
	<u>2,640</u>	<u>2,525</u>

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**For the year ended 30 June 2014**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>6. Cash and cash equivalents</b>		
Cash at bank and on hand	230,817	169,304

*Reconciliation of cash*

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash and cash equivalents	230,817	169,304
	230,817	169,304

**7. Trade and other receivables**

**Current**

Trade debtors	48,263	45,004
	48,263	45,004

**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 Note 7.

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

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

	Gross amount	Past due and impaired	Past due but not impaired			Not past due
			< 30 days	31-60 days	> 60 days	
<b>2014</b>						
Trade receivables	48,263	-	-	-	-	48,263
Other receivables	-	-	-	-	-	-
<b>Total</b>	48,263	-	-	-	-	48,263
<b>2013</b>						
Trade receivables	45,004	-	-	-	-	45,004
Other receivables	-	-	-	-	-	-
<b>Total</b>	45,004	-	-	-	-	45,004

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	2014	2013
	\$	\$
<b>8. Other assets</b>		
<b>Current</b>		
Prepayments	4,348	4,250
Other assets	2,719	9,167
	<u>7,067</u>	<u>13,417</u>
<b>9. Property, plant and equipment</b>		
<i>Leasehold improvements</i>		
At cost	130,005	130,005
Less accumulated depreciation	(49,368)	(46,702)
	<u>80,637</u>	<u>83,303</u>
Total written down amount	<u>80,637</u>	<u>83,303</u>
<i>Plant and equipment</i>		
At cost	9,172	9,172
Less accumulated depreciation	(7,442)	(6,313)
	<u>1,730</u>	<u>2,859</u>
Total written down amount	<u>82,367</u>	<u>86,162</u>
<b>Movements in carrying amounts</b>		
<i>Leasehold improvements</i>		
Balance at the beginning of the reporting period	83,303	85,969
Additions	-	-
Disposals	-	-
Depreciation expense	(2,666)	(2,666)
Balance at the end of the reporting period	<u>80,637</u>	<u>83,303</u>
<i>Plant and equipment</i>		
Balance at the beginning of the reporting period	2,859	4,017
Additions	-	-
Disposals	-	-
Depreciation expense	(1,129)	(1,158)
Balance at the end of the reporting period	<u>1,730</u>	<u>2,859</u>
<b>10. Intangible assets</b>		
<i>Franchise fee</i>		
At cost	139,230	139,230
Less accumulated amortisation	(86,017)	(71,953)
	<u>53,213</u>	<u>67,277</u>
Total Intangible assets	<u>53,213</u>	<u>67,277</u>

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	2014	2013
	\$	\$
<b>10. Intangible assets (continued)</b>		
<b>Movements in carrying amounts</b>		
<i>Franchise fee</i>		
Balance at the beginning of the reporting period	67,277	9,376
Additions	-	70,321
Disposals	-	-
Amortisation expense	(14,064)	(12,420)
Balance at the end of the reporting period	<u>53,213</u>	<u>67,277</u>
<b>11. Trade and other payables</b>		
<b>Current</b>		
Unsecured liabilities:		
Trade creditors	6,749	6,673
Other creditors and accruals	22,469	18,974
	<u>29,218</u>	<u>25,647</u>
<b>12. Provisions</b>		
Employee benefits	<u>19,999</u>	<u>17,884</u>
<b>Movement in employee benefits</b>		
Opening balance	17,884	13,773
Additional provisions recognised	20,588	16,919
Amounts utilised during the year	(18,473)	(12,808)
Closing balance	<u>19,999</u>	<u>17,884</u>
<b>Current</b>		
Annual Leave - unconditional (expected to be settled within 12 months)	2,320	8,125
Annual Leave - unconditional (not expected to be settled within 12 months)	5,964	
Long Service Leave - unconditional (expected to be settled within 12 months)	10,374	9,098
	<u>18,658</u>	<u>17,223</u>
<b>Non-current</b>		
Long Service Leave - conditional	1,341	661
	<u>1,341</u>	<u>661</u>
<b>Total provisions</b>	<u>19,999</u>	<u>17,884</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.

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	2014	2013
	\$	\$
<b>13. Share capital</b>		
Ordinary shares fully paid of \$1 each	469,472	469,472
	<u>469,472</u>	<u>469,472</u>
<b>Movements in share capital</b>		
Fully paid ordinary shares:		
At the beginning of the reporting period	469,472	469,472
Shares issued during the year	-	-
At the end of the reporting period	<u>469,472</u>	<u>469,472</u>

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

**Capital management**

The Board's policy is to maintain a strong capital base so as to sustain future development of the company. The Board of Directors monitor the return on capital and the level of dividends to shareholders. Capital is represented by total equity as recorded in the Statement of Financial Position.

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

- (i) the Distribution Limit is the greater of:
  - (a) 20% of the profit or funds of the Franchisee otherwise available for distribution to shareholders in that 12 month period; and
  - (b) subject to the availability of distributable profits, the Relevant Rate of Return multiplied by the average level of share capital of the Franchisee over that 12 month period; and
- (ii) the Relevant Rate of Return is equal to the weighted average interest rate on 90 day bank bills over that 12 month period plus 5%.

The Board is managing the growth of the business in line with this requirement. There are no other externally imposed capital requirements, although the nature of the company is such that amounts will be paid in the form of charitable donations and sponsorship. Charitable donations and sponsorship paid for the year ended 30 June 2014 can be seen in the Statement of Profit or Loss and Comprehensive Income.

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

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	2014 \$	2013 \$
<b>14. Retained earnings / (accumulated losses)</b>		
Balance at the beginning of the reporting period	(121,165)	(88,360)
Profit/(loss) after income tax	32,315	58
Dividends paid / proposed		(32,863)
Balance at the end of the reporting period	<u>(88,850)</u>	<u>(121,165)</u>

**15. Statement of cash flows**

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

As per the statement of financial position	230,817	169,304
As per the statement of cash flow	<u>230,817</u>	<u>169,304</u>

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

Profit / (loss) after income tax	32,315	58
Non cash items		
- Depreciation	3,795	3,824
- Amortisation	14,064	12,420
Changes in assets and liabilities		
- (Increase) decrease in receivables	(3,259)	5,412
- (Increase) decrease in other assets	6,447	-
- (Increase) decrease in prepayments	(97)	(115)
- (Increase) decrease in deferred tax asset	2,069	4,942
- Increase (decrease) in payables	3,571	(3,945)
- Increase (decrease) in provisions	2,115	4,111
Net cash flows from/(used in) operating activities	<u>61,020</u>	<u>26,707</u>

**16. 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.

(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.

There was no movement in key management personnel shareholdings during the year. Each share held has a



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**17. Events after the reporting period**

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

**18. Contingent liabilities and assets**

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

**19. 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 Coleraine, Victoria. The company has a franchise agreement in place with Bendigo & Adelaide Bank Limited who account for 100% of the revenue (2013: 100%).

**20. Company details**

The registered office and principle place of business is: 59 Whyte Street  
Coleraine Vic 3315

**21. Earnings per share**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>

Basic earnings per share amounts are calculated by dividing profit / (loss) after income tax by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing profit / (loss) after income tax by the weighted average number of ordinary shares outstanding during the year (adjusted for the effects of any dilutive options or preference shares).

The following reflects the income and share data used in the basic and diluted earnings per share computations:

Profit/(loss) after income tax expense	<u>32,315</u>	<u>58</u>
Weighted average number of ordinary shares for basic and diluted earnings per share	<u>469,472</u>	<u>469,472</u>

**22. Dividends paid or provided for on ordinary shares**

No dividends were paid or proposed by the company during the period.

**23. Expenditure commitment**

Coleraine & District Financial Services Limited made a financial commitment to donate \$33,333.34 per annum for a three year period. The final donation of \$33,333.34 was paid during 2013-14.

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**24. 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 \$
<b>Financial assets</b>			
Cash and cash equivalents	6	230,817	169,304
Trade and other receivables	7	48,263	45,004
<b>Total financial assets</b>		<u>279,080</u>	<u>214,308</u>
<b>Financial liabilities</b>			
Trade and other payables	11	29,218	25,647
<b>Total financial liabilities</b>		<u>29,218</u>	<u>25,647</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.

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**24. 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.

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>Cash and cash equivalents:</b>		
A rated	<u>230,817</u>	<u>169,304</u>

**(b) Liquidity risk**

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

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

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

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

Financial liability and financial asset maturity analysis:

<b>30 June 2014</b>		<b>Total</b>	<b>Within</b>	<b>1 to</b>	<b>Over</b>
	<b>Note</b>	<b>\$</b>	<b>1 year</b>	<b>5 years</b>	<b>5 years</b>
		<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Financial liabilities due</b>					
Trade and other payables	11	<u>29,218</u>	<u>29,218</u>	<u>-</u>	<u>-</u>
<b>Total expected outflows</b>		<u><u>29,218</u></u>	<u><u>29,218</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
<b>Financial assets - realisable</b>					
Cash & cash equivalents	6	230,817	230,817	-	-
Trade and other receivables	7	<u>48,263</u>	<u>48,263</u>	<u>-</u>	<u>-</u>
<b>Total anticipated inflows</b>		<u><u>279,080</u></u>	<u><u>279,080</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
<b>Net (outflow)inflow on financial instruments</b>		<u><u>249,862</u></u>	<u><u>249,862</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

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**For the year ended 30 June 2014**

**24. Financial risk management (continued)**

**(b) Liquidity risk (continued)**

30 June 2013	Total \$	Within 1 year \$	1 to 5 years \$	Over 5 years \$
<b>Financial liabilities due</b>				
Trade and other payables	11	25,647	25,647	-
<b>Total expected outflows</b>		<u>25,647</u>	<u>25,647</u>	<u>-</u>
<b>Financial assets - realisable</b>				
Cash & cash equivalents	6	169,304	169,304	-
Trade and other receivables	7	45,004	45,004	-
<b>Total anticipated inflows</b>		<u>214,308</u>	<u>214,308</u>	<u>-</u>
<b>Net (outflow)/inflow on financial instruments</b>		<u>188,661</u>	<u>188,661</u>	<u>-</u>

**(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.

**Sensitivity analysis**

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

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

Year ended 30 June 2014	Profit \$	Equity \$
+/- 1% in interest rates (interest income)	2,308	2,308
	<u>2,308</u>	<u>2,308</u>
<b>Year ended 30 June 2013</b>		
+/- 1% in interest rates (interest income)	1,693	1,693
	<u>1,693</u>	<u>1,693</u>

The company has no exposure to fluctuations in foreign currency.

**(d) Price risk**

The company is not exposed to any material price risk.

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF  
COLERAINE & DISTRICT FINANCIAL SERVICES LIMITED**

**Report on the financial report**

We have audited the accompanying financial report of Coleraine & District Financial Services Limited, which comprises the balance sheet as at 30 June 2014, and the comprehensive income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

*Directors' responsibility for the financial report*

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

*Auditor's responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of 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 and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 opinions.

*Independence*

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

*Auditor's opinion*

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

- (a) giving a true and fair view, of the company's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and

*Coffey Hunt*

**COFFEY HUNT**  
**CHARTERED ACCOUNTANTS**

*C.J. Kol*

**C.J. KOL**  
**PARTNER**

Dated at Warrnambool: 11 September 2014

**Auditor's Independence Declaration**

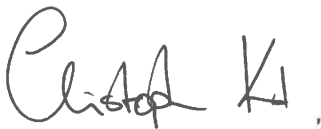
As lead auditor for the audit of Coleraine & District Financial Services Ltd for the year ended 30 June 2014, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Coleraine & District Financial Services Ltd.



**COFFEY HUNT**  
**CHARTERED ACCOUNTANTS**



**C.J. KOL**  
**PARTNER**

Dated at Warrnambool: 11 September 2014.