Annual Report 2014

Daylesford District Community Developments Limited

ABN 72 149 942 067

Daylesford District **Community Bank**® Branch

Contents

Chairman's report

For year ending 30 June 2014

On behalf of the Board of Directors, I am delighted to deliver this Annual Report of Daylesford District Community Developments Limited (referred to as the "company"), which operates the Daylesford District **Community Bank**® Branch.

Daylesford District **Community Bank**® Branch grew to $61.3 million of loans and deposits by the end of the year, an increase of $10.8 million over the year. Despite terrific support from our **Community Bank**® branch's 1,363 customers (a 16% increase from 30 June 2013), the level of revenue derived continues to be significantly less than forecast, and was 16.2% below budget. The revenue outlook continues to be hampered by reduced banking margins, as a result of low interest rates and a lower yielding product mix.

The company sought to offset part of the revenue shortfall by reducing operating costs and achieved a significant 8% savings in budgeted costs. This included adjustments to operating hours, changes to infrastructure needs and vigilant control of all expenditure.

The budget for the 2014/15 financial year is challenging and the company is seeking to reduce our cost of funds in addition to growing the business and thereby improve revenue. It remains unlikely that we will achieve our first month of positive cash flow by 30 June 2015; however this is our goal in the 2015/16 year.

The company continues to receive strong support from Bendigo and Adelaide Bank in line with the Franchise Agreement.

Bendigo and Adelaide Bank also continued to provide the company with Market Development Funds (MDF), which is received in addition to our entitlements under the Franchise Agreement. The MDF allowed the company to award $13,153 in community investment, including sponsorships and partnerships with local organisations and events during the year. This brings the total invested back into our community over the 27 months since our **Community Bank**® branch opened to $40,757 as at 30 June 2014.

The continuance of MDF is anticipated and this will facilitate an ongoing program of community based investments.

Bendigo and Adelaide Bank has further assisted our company with an overdraft, which we have recently extended to meet projected needs in 2015. To date this facility has been provided on an interest free basis.

The company held a Community Partnerships Consultation in June 2014 to seek community views about the priorities and appropriate ways for the company to invest in its community. This was an excellent event, attended by over 70 people. Data from the consultation has been analysed leading to the setting of a number of community investment strategies.

Our Branch Manager Steven McKinley has settled well into the role and with his dedicated team strives to provide outstanding services to our valued customers. I encourage all shareholders to be active customers of our **Community Bank**® branch and ensure that our collective goals in establishing the Daylesford District **Community Bank**® Branch are achieved as soon as possible. For those shareholders that are customers, your advocacy for the **Community Bank**® branch is vitally important for its continuing development.

I would also like to thank my fellow Directors who offer their contribution on an unpaid voluntary basis. I offer special thanks to our inaugural Chairman - Mr Tim Blood and former Director - Mr Glen Heyne, both of whom retired during the year and who provided excellent service to the company and previously on the Steering Committee.

Chairman's report (continued)

I wish to assure all shareholders that your Board of Directors is determined to strengthen our **Community Bank®** branch in pursuit of our Mission - A profitable **Community Bank®** branch that exceeds customer expectations, increases community prosperity and generates a reasonable return to shareholders.

Marek Rak
Chairman

Manager's report

For year ending 30 June 2014

It is with pleasure that I present the Manager's report for Daylesford District **Community Bank**® Branch for the year ending 30 June 2014.

Over the last financial year we have seen our banking business grow by $10.8 million and as at 30 June 2014, we reached $61.3 million in on-book business footings. This is a good result, however we recognise further business growth is required to position ourselves as a profitable and successful banking entity in our community.

A growing **Community Bank**® branch needs strong community support and I am grateful to the many individuals, businesses and community groups who have joined us over the last 12 months. One of our key messages is developing the direct relationship that exists between buying and supporting local. I believe that if you are passionate about your local community then it makes sense to support businesses and groups that add value to our community. I stress the importance of not only banking with Daylesford District **Community Bank**® Branch but also supporting our local businesses and traders, to ensure the products and services we are fortunate to have in our community can continue to be delivered and in return, benefit our community to prosper and grow.

Our Vision "To be the best bank in the district valued by customers and the community" is a simple statement but one that we strive everyday to attain. To us, banking is a relationship between partners. Partners are strong advocates who wholly understand and fully support our community story. In return we seek to understand and appreciate the banking needs and requirements of individuals and businesses. This understanding equates to a connected and strongly supportive community that grows together. We seek the support of existing customers and shareholders to achieve our mutual community goals. With the continued support of our customers, we can provide the community with the much needed support of sponsorship funding.

There are numerous projects and programs that received grant funding or sponsorship as a direct result of members of our community simply banking with us. We have been able to provide over $40,000 since our beginnings in early 2012 through to 30 June 2014, which is a fantastic result and all thanks to those who bank with us.

Our successful Community Partnership Consultation was held in June and as a result we engaged with many organisations and individuals who provided passionate ideas and visions for our community. We are excited to be able to implement programs and projects to which our own community feels so connected. We can only do this through customers banking with us.

What is the next 12 months going to look like? Our business will continue to grow with your support and assistance. Our focus will be to increase products and services available to the people and businesses of the wider Daylesford district, to increase customer numbers and to be the most efficient customer-focused bank in the district!

To my staff, Dannielle, Yvette, Jo-Anne, Lee and Sonya, I thank you for your encouragement, engagement and vision during the year. At all times I feel we have the full support of the staff in all our endeavours. Our team is committed to the provision of excellent customer service and community engagement and this is very reflective of the Bendigo Bank brand. During the year, Lee Manning left our team to pursue other endeavours. I thank her particularly for her support from the beginning of the **Community Bank**® concept and her hard work on the original Steering Committee.

Manager's report (continued)

I wish to thank the current and all past Directors who have dedicated their time and efforts to the Board of Daylesford District Community Developments Limited. The support my staff and I receive from you provides us with great encouragement.

Finally, my staff and I wish to thank you, our shareholders and customers, for supporting our business for the last 12 months and for choosing Daylesford District **Community Bank**® Branch as your **Community Bank**® branch of preference.

Steven McKinley
Manager

Bendigo and Adelaide Bank report

For year ending 30 June 2014

The past year marked two very significant milestones for our **Community Bank®** 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®** 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®** 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®** 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®** 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®** network had achieved the following:

- Returns to community – $122.2 million
- **Community Bank®** branches – 305
- **Community Bank®** branch staff – more than 1,500
- **Community Bank®** 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™ (philanthropic arm), Community Sector Banking (banking service for not-for-profit organisations), Generation Green™ (environment and sustainability initiative), Community Telco® (telecommunications solution), tertiary education scholarships and Connected Communities Enterprises that provide **Community Bank®** companies with further development options.

Bendigo and Adelaide Bank report (continued)

In September last year the Bank announced it would commence a comprehensive review of the **Community Bank®** 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®** 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** 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®** 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®** model is the ultimate example of a win/win partnership and I thank you for your important support of your local **Community Bank®** branch.

Robert Musgrove
Executive Community Engagement

Directors' report

For the financial year ended 30 June 2014

Your Directors present their report of the company for the financial year ended 30 June 2014. The information in the following 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 Daylesford District Community Developments 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
Marek Julius Rak Appointed 18 March 2011 Re-appointed 19 Nov 2013 Chair	Bachelor of Science (Monash); Grad Dip EDP (RMIT).	Founder & retired Managing Director of Trident Computer Services Pty Ltd; Treasurer of the Daylesford Men's Shed.
Susan Wendy Ewart Appointed 18 March 2011 Re-appointed 19 Nov 2013 Director	Diploma of Food & Food Service; Diploma of Education.	Teaching experience at secondary and tertiary levels; former restaurateur, caterer and gourmet food shop owner; currently local business partner with husband in manufacturing and tourism.
Philip Roy Gay Appointed 16 April 2012 Re-appointed 13 Sept 2012 Director & Treasurer	Bachelor of Arts (finance & accounting); Advanced Management Program (Harvard Business School); Fellow of CPA Australia; Fellow of Institute of Chartered Secretaries and Administrators; Fellow of the Governance Institute of Australia.	Former Chief Financial Officer & Operating Group Managing Director of Pacific Dunlop Ltd; Director of 7-Eleven Stores Pty Ltd and Starbucks Coffee Australia Pty Ltd and Deputy Chair RG Withers Holdings Pty Ltd; now operates a Poll Hereford cattle stud.
Joan Mary Janssen Appointed 19 November 2013 Director	Diploma of Teaching, Primary (ACU, Ballarat); Graduate Diploma of Student Welfare (Hawthorn); Master of Education (Melb).	31 years' experience in education, including 12 years as School Principal; former Director of the Melba Foundation.
Trevor Ross Miller Appointed 19 November 2013 Director	Bachelor of Engineering with Honours (Deakin).	Business proprietor providing strategic advice, specialising in support for small business and not-for-profits; member of Creswick Market Planning Committee.

Directors' report (continued)

Directors (continued)

Name and position held	Qualifications	Experience and other Directorships
Joy Elizabeth Nunn Appointed 1 July 2012 Re-appointed 13 Sept 2012 Director & Chair, Community Investment Committee	Bachelor of Science Education (Melb); Grad Dip of Computers in Education (Monash); Master of Education (Monash).	Extensive experience in rural/regional secondary education and as a Senior Lecturer at the University of Ballarat; now retired.
Fiona Kay Robson Appointed 19 November 2013 Director	Bachelor of Science (Melb); certified Project Management Professional (Project Management Institute).	Over 20 years' experience in community development, project management, business analysis and organisational development in corporate business, local government, education and health services; has co-owned and co-operated a successful local small business and volunteers extensively in community organisations, including leadership roles.
Geoffrey William Vincent Appointed 16 April 2012 Re-appointed 13 Sept 2012 Director & Chair, Finance & Audit Committee	Diploma of Agricultural Science.	Former Deputy Chief Executive Officer and General Manager for Parks Victoria and former Executive Director Regional Services for Dept of Natural Resources and Environment; former Director of North East Region Water Authority; currently operates consultancy business.
Timothy Blood Appointed 18 March 2011 Retired 4 December 2013 Former Chair	Bachelor of Engineering (Uni of Melb)	Former CEO/Chairman of P&O Australia Limited; former Director of Central Highlands Region Water Corporation; former Managing Director of NSW Ports Pty Ltd.
Glen Grayham Heyne Appointed 18 March 2011 Re-appointed 19 Nov 2013 Retired 24 March 2014 Former Director		Over 50 years' experience as a freelance writer and broadcaster, marketing consultant, publicity & media officer for Adelaide Festival Centre Trust and Festival of Arts, Vic Manager for SA Tourism and as a local councillor; former Chairman of Words in Winter; now retired.
John Leonard Smith Appointed 16 April 2012 Retired 10 September 2013 Former Director	Diploma of Financial Services and Fellow of the Australian Insurance Institute	Almost 50 years' experience in the general insurance industry including in business development and customer service and as Managing Director of the John Smith Insurance Group; previously a Director of the Pinewood **Community Bank**® Branch; now retired.

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.

Review of operations

The loss of the company for the financial year after provision for income tax was $127,222 (2013 loss: $97,342).

The company's performance saw the banking business portfolio grow by $10.8 Million (20% increase), which was in excess of Prospectus forecasts. Revenue achieved was less than anticipated due to several factors:

a) continuing global impact of lower interest rates affecting direct margins;

b) specific reductions to commission margins on various products implemented by Bendigo and Adelaide Bank Limited as part of its reassessment of the appropriate sharing of profits with **Community Bank®** franchisees; and

c) changing consumer behaviour, whereby customers seek products which yield lower margins.

The net assets of the company have decreased to $182,046 (2013: $309,268). The decrease is entirely due to the trading loss for the year.

Dividends

The Directors recommend that no dividend be paid for the current 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

The company has obtained an extension to the bank overdraft facility to $300,000 with a review date of 30 September 2015. Other than that, 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. However, Directors are entitled to claim reimbursement for expenses incurred in their role as Directors of the company.

Under the Corporations Act 2001 (Cth), the company is required to disclose in a Remuneration Report information about its remuneration policy and practice in relation to the remuneration of 'key management personnel'. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the company, including the Directors of the company.

For the purposes of this Report, the Board has determined that the only key management personnel of the company are the Directors.

The names of each Director, and if the person has been a Director for less than the whole financial year or there have been any changes in the Board up to the date of Board approval of the financial statements, the date on which the person began, or ceased, holding the position are set out at the beginning of this Directors' Report.

Remuneration report (continued)

Remuneration policy (continued)

It is Board policy that the Directors of the company act in a voluntary capacity and receive no remuneration or other benefits for their services. The Board believes that the provision of services to the company by the Directors on a voluntary basis is consistent with the principles of the **Community Bank**® model, including that the **Community Bank**® company is established for the benefit of the broader community. The Directors view their voluntary contribution as a contribution to the community. They also believe that providing services on a voluntary basis enhances the reputation of the company in the community, which potentially has flow on effects for community engagement and the use by members of the community of financial services offered through the company. This places the company in the best position to maximise its earnings performance, which enables the company to fulfil a key objective of making community contributions, as well as improving Shareholder wealth.

Remuneration benefits and payments

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 of which a Director is a member or an entity in which a Director has a substantial financial interest.

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 7 Board meetings, 10 Finance & Audit Committee, 3 Community Investment Committee* and 2 Business Development Committee~ meetings. Attendances by each Director during the year were as follows:

Director	Board meetings #	Finance & Audit Committee meetings #	Community Investment Committee* Meetings #	Business Development Committee~ meetings #
Marek Julius Rak	6 (7)	^8 (10)	N/A	2 (2)
Susan Wendy Ewart	5 (7)	N/A	3 (3)	N/A
Philip Roy Gay	6 (7)	10 (10)	N/A	N/A
Joan Mary Janssen	5 (5)	3 (4)	N/A	2 (2)
Trevor Ross Miller	4 (5)	N/A	N/A	2 (2)
Joy Elizabeth Nunn	7 (7)	N/A	3 (3)	2 (2)
Fiona Kay Robson	4 (5)	N/A	1 (1)	N/A
Geoffrey William Vincent	6 (7)	7 (10)	N/A	0 (2)

Directors' meetings (continued)

Director	Board meetings #	Finance & Audit Committee meetings #	Community Investment Committee* Meetings #	Business Development Committee~ meetings #
Timothy Blood	2 (3)	"1 (4)	"1 (2)	N/A
Glen Grayham Heyne	4 (5)	N/A	2 (2)	N/A
John Leonard Smith	0 (1)	N/A	0 (1)	N/A

* Formerly called Sponsorship Committee
~ Constituted as at 3 April 2014
\# The first number is the meetings attended while in brackets is the number of meetings eligible to attend.
N/A not a member of that committee.
^ Mr Rak attended 6 meetings as Committee Chair. As Board Chair, he was entitled to attend 4 of these Committee meetings ex officio.
" Mr Blood as Board Chair was entitled to attend Committee meetings ex officio

Likely developments

The company will continue its policy of providing banking services to the community. The company remains optimistic that the level of the banking portfolio will continue to grow, however, due to margin pressures and adverse product mix, the company anticipates experiencing continuing operating losses for the current financial year, albeit approaching a break-even earnings before interest tax depreciation and amortisation (EBITDA) position for the month of 30 June 2015.

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

Jane Theresa Southwell has been the Company Secretary of Daylesford District Community Developments Limited since 1 July 2012.

Jane holds Bachelors' Degrees in Law (with Honours) and Arts and has had over 20 years experience in company secretarial, management and legal roles within the financial services sector.

Non audit services

The Board of Directors, in accordance with advice from the Finance & Audit Committee, 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:

Directors' report (continued)

Non audit services (continued)

- all non audit services are reviewed and approved by the Finance & Audit Committee 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 out at page 14 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 Daylesford on 23 September 2014.

Marek Rak	**Geoffrey Vincent**
Chairman	**Director**

Auditor's independence declaration

Richmond
Sinnott &
Delahunty
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23 September 2014

The Directors
Daylesford District Community Developments Limited
PO Box 571
DAYLESFORD VIC 3460

Dear Directors,

To the Directors of Daylesford District Community Developments 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:

(i) No contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) No contraventions of any applicable code of professional conduct in relation to the audit.

P. P. Delahunty
Partner
Richmond Sinnott & Delahunty

Financial statements

Statement of profit or loss and Other Comprehensive Income for the year ended 30 June 2014

	Note	2014 $	2013 $
Revenue	2a	417,795	396,244
Employee benefits expense	3	(250,131)	(343,474)
Depreciation and amortisation expense	3	(53,328)	(57,254)
Finance costs	3	(10,835)	(11,728)
Bad and doubtful debts expense	3	-	(231)
Rental expense	3	(64,621)	(49,209)
Other expenses	3	(208,545)	(197,175)
Operating loss before charitable donations & sponsorships		**(169,665)**	**(262,827)**
Non-operating income	2b	-	145,000
Charitable donations and sponsorships		(13,153)	(16,787)
Loss before income tax expense		**(182,818)**	**(134,614)**
Tax benefit	4	(55,596)	(37,272)
Loss for the year		**(127,222)**	**(97,342)**
Other comprehensive income		-	-
Total comprehensive income		**(127,222)**	**(97,342)**
Loss attributable to members of the company		(127,222)	(97,342)
Total comprehensive income attributable to members of the company		**(127,222)**	**(97,342)**
Earnings per share (cents per share)			
- basic loss for the year	22	(21.20)	(16.22)

The accompanying notes form part of these financial statements.

Statement of financial position as at 30 June 2014

	Note	2014 $	2013 $
Assets			
Current assets			
Cash and cash equivalents	6	159	6,205
Trade and other receivables	7	37,888	35,594
Prepayments	10	18,137	17,930
Total current assets		**56,184**	**59,729**
Non-current assets			
Property, plant and equipment	8	185,662	208,156
Deferred tax asset	4	164,685	109,089
Intangible assets	9	77,930	108,764
Prepayments	10	760	455
Total non-current assets		**429,037**	**426,464**
Total assets		**485,221**	**486,193**
Liabilities			
Current liabilities			
Trade and other payables	11	29,334	50,645
Loans and borrowings	12	179,976	25,966
Provisions	13	14,588	12,222
Total current liabilities		**223,898**	**88,833**
Non current liabilities			
Loans and borrowings	12	79,277	88,092
Total non current liabilities		**79,277**	**88,092**
Total liabilities		**303,175**	**176,925**
Net assets		**182,046**	**309,268**
Equity			
Issued capital	14	575,520	575,520
Accumulated losses	15	(393,474)	(266,252)
Total equity		**182,046**	**309,268**

The accompanying notes form part of these financial statements.

Statement of changes in equity for the year ended 30 June 2014

	Note	Issued capital $	Retained earnings $	Total equity $
Balance at 1 July 2012		**575,520**	**(168,910)**	**406,610**
Total comprehensive income for the year		-	(97,342)	(97,342)
Transactions with owners, in their capacity as owners				
Shares issued during the year		-	-	-
Dividends paid or provided	23	-	-	-
Balance at 30 June 2013		**575,520**	**(266,252)**	**309,268**
Balance at 1 July 2013		**575,520**	**(266,252)**	**309,268**
Total comprehensive income for the year		-	(127,222)	(127,222)
Transactions with owners, in their capacity as owners				
Shares issued during the year		-	-	-
Dividends paid or provided	23	-	-	-
Balance at 30 June 2014		**575,520**	**(393,474)**	**182,046**

The accompanying notes form part of these financial statements.

Statement of cash flows for the year ended 30 June 2014

	Note	2014 $	2013 $
Cash flows from operating activities			
Receipts from customers		415,500	387,391
Payments to suppliers and employees		(555,907)	(600,843)
Interest paid		(10,835)	(11,728)
Interest received		1	725
Net cash used in operating activities	**16b**	**(151,241)**	**(224,455)**
Cash flows from investing activities			
Receipts from non-operating income		-	145,000
Purchase of property, plant & equipment		-	(1,365)
Net cash flows from investing activities		**-**	**143,635**
Cash flows from financing activities			
Repayment of borrowings		(18,630)	(25,390)
Net cash used in financing activities		**(18,630)**	**(25,390)**
Net decrease in cash held		**(169,871)**	**(106,210)**
Cash and cash equivalents at beginning of financial year		6,205	112,415
Cash and cash equivalents at end of financial year	**16a**	**(163,666)**	**6,205**

The accompanying notes form part of these financial statements.

Notes to the financial statements

For year ended 30 June 2014

These financial statements and notes represent those of Daylesford District Community Developments Limited.

Daylesford District Community Developments 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 23 September 2014.

Note 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.

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.

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;

Note 1. Summary of significant accounting policies (continued)

a) Basis of preparation (continued)

Economic dependency (continued)

- 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.

Going concern

The net assets of the company as at 30 June 2014 were $182,046 and the loss made for the year was $127,222, bringing accumulated losses to $393,474.

The company meets its day to day working capital requirements through an overdraft facility that is due for renewal on 30 September 2015. The overdraft has an approved limit of $300,000 and was drawn to $163,825 as at 30 June 2014.

The company recognises that losses will be incurred during the development of the business and while market access is being developed within the district. The Directors will continue to review their growth and cash flow forecasts throughout the 2014/15 year, and implement measures to preserve cash where possible. However, material uncertainties over future trading results and cash flow remain.

Bendigo and Adelaide Bank Limited has confirmed that it will continue to support the company and its operations for the 2014/15 financial year and beyond, through the provision of an overdraft facility on normal commercial terms and conditions to assist with working capital requirements. The support is provided on the basis that the company continues to fulfil its obligations under the franchise agreement and continues to work closely with Bendigo and Adelaide Bank Limited to further develop its business.

Based on the above, and after making additional enquiries, the Directors believe that it is reasonably foreseeable that the company will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial statements.

(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.

Notes to the financial statements (continued)

Note 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 asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

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

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

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

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.

<u>Plant and equipment</u>

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 relate 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.

<u>Depreciation</u>

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, 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.

Note 1. Summary of significant accounting policies (continued)

(d) Property, plant and equipment (continued)

Depreciation (continued)

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

Class of asset	Depreciation rate
Leasehold improvements	6 - 7%
Plant & equipment	40 - 67%
Motor vehicles	25%

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's 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) 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.

(f) 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.

(g) 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.

Note 1. Summary of significant accounting policies (continued)

(g) 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.

(h) 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.

(i) 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.

(j) 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).

(k) 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.

(l) 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.

Note 1. Summary of significant accounting policies (continued)

(m) Borrowing costs

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

(n) 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 and sets out in a single Standard, a framework for measuring fair value and requires disclosures about fair value measurement.

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.

Note 1. Summary of significant accounting policies (continued)

(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.

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 it 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.

(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.

Note 1. Summary of significant accounting policies (continued)

(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.

(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 (ie 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.

Note 1. Summary of significant accounting policies (continued)

(u) Financial instruments (continued)

Classification and subsequent measurement (continued)

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.

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.

	2014 $	2013 $

Note 2. Revenue and other income

(a) Revenue

- services commissions	362,544	346,203
- market development fund	50,000	45,720
- other revenue	5,250	3,596
	417,794	**395,519**
Other revenue		
- interest received	1	725
Total revenue	**417,795**	**396,244**
(b) Non-operating income		
- One-off Assistance	-	118,000
- Value of relieving Manager for 3 months	-	27,000
	-	**145,000**

Non-operating income relates to one-off assistance provided by Bendigo and Adelaide Bank Limited (BABL) being cash benefits to the value of $145,000. This income will not be replicated in future years.

	2014 $	2013 $

Note 3. Expenses

Employee benefits expense		
- wages and salaries	219,781	272,571
- relieving Manager salary, waived by Bendigo and Adelaide Bank Limited	-	27,000
- superannuation costs	20,070	23,872
- other costs	10,280	20,031
	250,131	**343,474**
Depreciation of non-current assets:		
- Leasehold improvements	12,822	12,822
- furniture & fittings	3,525	5,375
- motor vehicles	6,147	8,223
Amortisation of non-current assets:		
- intangible assets	30,834	30,834
	53,328	**57,254**

Notes to the financial statements (continued)

	2014 $	2013 $

Note 3. Expenses (continued)

Finance costs:		
- Interest paid	10,835	11,728
Bad debts	-	231
Rental expense	64,621	49,209
The rental expense for the prior year has been decreased by $12,000 in order to account for a prepayment of rent, which was paid in the 2012 financial year.		
Other expenses:		
- Administration & general costs	88,457	58,662
- Advertising & marketing	20,188	24,750
- IT costs	51,585	50,682
- Occupancy costs	38,780	50,459
- ATM costs	5,128	5,451
- Motor vehicle costs	4,407	7,171
	208,545	**197,175**

The administration and general costs for the current year have increased compared to the prior year, as a result of reallocating the wages paid to the Company Secretary to this expense area.

Note 4. Tax expense

a. The components of tax expense/(income) comprise		
- current tax expense/(income)	(53,664)	(40,384)
- deferred tax expense/(income) relating to the origination and reversal of temporary differences	(1,932)	3,112
- recoupment of prior year tax losses		
- adjustments for under/(over)-provision of current income tax of previous years		-
	(55,596)	**(37,272)**
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%)	(54,845)	(40,384)

	2014 $	2013 $
Note 4. Tax expense (continued)		
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	(751)	3,112
Current income tax expense	**(55,596)**	**(37,272)**
Income tax attributable to the entity	**(55,596)**	**(37,272)**
The applicable weighted average effective tax rate is	30.41%	27.69%
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.	**164,685**	**109,089**

The applicable income tax rate is the Australian Federal tax rate of 30% (2013: 30%) applicable to Australian resident companies.

Note 5. Auditors' remuneration

Remuneration of the Auditor for:

- Audit or review of the financial report	4,300	4,150
- Taxation services	-	-
- Share registry services	-	-
	4,300	**4,150**

Note 6. Cash and cash equivalents

Bendigo Business Cash Management Cheque	-	5,966
Bendigo EFTPOS	159	239
	159	**6,205**
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	159	6,205
Bank overdrafts	(163,825)	-
	(163,666)	**6,205**

	2014 $	2013 $

Note 7. Trade and other receivables

Current

	2014 $	2013 $
Trade debtors	37,888	35,594
Other assets	-	-
	37,888	**35,594**

Credit risk

The company has a single concentration of credit risk with respect to a single counterparty being Bendigo and Adelaide Bank Limited.

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	
2014						
Trade receivables	37,888	-	-	-	-	37,888
Other receivables	-	-	-	-	-	-
Total	**37,888**	**-**	**-**	**-**	**-**	**37,888**
2013						
Trade receivables	35,594	-	-	-	-	35,594
Other receivables	-	-	-	-	-	-
Total	**35,594**	**-**	**-**	**-**	**-**	**35,594**

	2014 $	2013 $

Note 8. Property, plant and equipment

	2014 $	2013 $
Leasehold Improvements		
Less accumulated depreciation	192,313	192,313
At cost	(29,427)	(16,605)
	162,886	**175,708**
Furniture & Fittings		
At cost	15,145	15,145
Less accumulated depreciation	(10,812)	(7,287)
	4,333	**7,858**
Motor Vehicles		
At cost	35,876	35,876
Less accumulated depreciation	(17,433)	(11,286)
	18,443	**24,590**
Total written down amount	**185,662**	**208,156**
Movements in carrying amounts		
Leasehold Improvements		
Balance at the beginning of the reporting period	175,708	188,530
Additions	-	-
Disposals	-	-
Depreciation expense	(12,822)	(12,822)
Balance at the end of the reporting period	**162,886**	**175,708**
Furniture & Fittings		
Balance at the beginning of the reporting period	7,858	11,868
Additions	-	1,365
Disposals	-	-
Depreciation expense	(3,525)	(5,375)
Balance at the end of the reporting period	**4,333**	**7,858**
Motor Vehicles		
Balance at the beginning of the reporting period	24,590	32,813
Additions	-	-
Disposals	-	-
Depreciation expense	(6,147)	(8,223)
Balance at the end of the reporting period	**18,443**	**24,590**

Notes to the financial statements (continued)

	2014 $	2013 $
Note 9. Intangible assets		
Franchise fee		
At cost	10,000	10,000
Less accumulated amortisation	(5,167)	(3,167)
	4,833	**6,833**
Establishment Fee		
At cost	100,000	100,000
Less accumulated amortisation	(51,667)	(31,667)
	48,333	**68,333**
Agency Fees		
At cost	44,170	44,170
Less accumulated amortisation	(19,406)	(10,572)
	24,764	**33,598**
Total Intangible assets	**77,930**	**108,764**
Movements in carrying amounts		
Franchise fee		
Balance at the beginning of the reporting period	6,833	8,833
Additions	-	-
Disposals	-	-
Amortisation expense	(2,000)	(2,000)
Balance at the end of the reporting period	**4,833**	**6,833**
Establishment fee		
Balance at the beginning of the reporting period	68,333	88,333
Additions	-	-
Disposals	-	-
Amortisation expense	(20,000)	(20,000)
Balance at the end of the reporting period	**48,333**	**68,333**
Agency fee		
Balance at the beginning of the reporting period	33,598	42,432
Additions	-	-
Disposals	-	-
Amortisation expense	(8,834)	(8,834)
Balance at the end of the reporting period	**24,764**	**33,598**

Notes to the financial statements (continued)

	2014 $	2013 $

Note 10. Prepayments

Current		
Prepaid Rent and Insurance	**18,137**	**17,930**
Non Current		
Prepaid Borrowing Costs		
At cost	1,422	626
Less write-off	(662)	(171)
	760	**455**

Note 11. Trade and other payables

Current		
Unsecured liabilities:		
Trade creditors	10,769	19,847
Other creditors and accruals	18,565	30,798
	29,334	**50,645**

Note 12. Borrowings

Current		
Bank overdraft	163,825	-
Chattel mortgages	22,095	34,110
Unexpired interest	(5,944)	(8,144)
	179,976	**25,966**
Non-current		
Chattel mortgages	90,832	98,371
Unexpired interest	(11,555)	(10,279)
	79,277	**88,092**

The company has an overdraft facility of $300,000, which is subject to normal commercial terms and conditions, except that no interest has been charged on the overdraft facility to 30 June 2014.

	2014 $	2013 $

Note 13. Provisions

	2014 $	2013 $
Employee benefits	**14,588**	**12,222**
Movement in employee benefits		
Opening balance	12,222	7,442
Additional provisions recognised	14,571	21,182
Amounts utilised during the year	(12,205)	(16,402)
Closing balance	**14,588**	**12,222**

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.

Note 14. Share capital

	2014 $	2013 $
600,008 Ordinary shares fully paid of $1 each	600,008	600,008
Less: Equity raising costs	(24,488)	(24,488)
	575,520	**575,520**
Movements in share capital		
Fully paid ordinary shares:		
At the beginning of the reporting period	600,008	600,008
Shares issued during the year	-	-
At the end of the reporting period	**600,008**	**600,008**

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.

Note 14. Share capital (continued)

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 company is provided with a Market Development Fund from Bendigo and Adelaide Bank Limited, which is used to pay 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.

	2014 $	2013 $

Note 15. Accumulated losses

	2014 $	2013 $
Balance at the beginning of the reporting period	(266,252)	(168,910)
Profit/(loss) after income tax	(127,222)	(97,342)
Balance at the end of the reporting period	**(393,474)**	**(266,252)**

Note 16. 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

	2014 $	2013 $
As per the statement of financial position	159	6,205
less Bank overdraft	(163,825)	-
As per the statement of cash flow	**(163,666)**	**6,205**

Note 16. Statement of cash flows (continued)

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

	2014 $	2013 $
Profit / (loss) after income tax	(127,222)	(97,342)
- Add back non-operating income	-	(145,000)
Non cash items		
- Depreciation	22,494	26,420
- Amortisation	30,834	30,834
Changes in assets and liabilities		
- (Increase) decrease in receivables	(2,806)	(21,495)
- (Increase) decrease in deferred tax asset	(55,596)	(37,109)
- Increase (decrease) in payables	(21,311)	14,076
- Increase (decrease) in provisions	2,366	4,780
Net cash flows from/(used in) operating activities	**(151,241)**	**(224,836)**

(c) Credit standby arrangement and loan facilities

The company has a bank overdraft facility of $300,000 (2013: $150,000). This may be terminated at any time at the option of the bank. At 30 June 2014, $163,825 of this facility was used (2013: $0). No interest has been charged on the overdraft facility to 30 June 2014.

Note 17. 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

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.

Note 17. Related party transactions (continued)

(d) Key management personnel shareholdings

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

	2014	2013
Marek Julius Rak	23,001	23,001
Susan Wendy Ewart	1,000	1,500
Philip Roy Gay	2,500	2,500
Joan Mary Janssen	500	*
Trevor Ross Miller	-	*
Joy Elizabeth Nunn	1,000	1,000
Fiona Kay Robson	5,000	*
Geoffrey William Vincent	20,000	20,000
Timothy Blood	10,002	10,002
Glen Grayham Heyne	1,401	1,401
John Leonard Smith	2,000	2,000
Jeffrey Bain	-	2,953

* Note: As at 30 June 2013, these personnel were not Directors of the company.

The movements in key management personnel's shareholdings during the year included the sale of 500 shares on behalf of Susan Wendy Ewart and the acquisition of 500 shares by Joan Mary Janssen. 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.

Note 18. Events after the reporting period

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

Note 19. Contingent liabilities and assets

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

Note 20. Operating segments

The company operates in the financial services sector where it provides banking services to its clients. The company operates in one geographic area being Daylesford, Victoria. The company has a franchise agreement in place with Bendigo and Adelaide Bank Limited who account for 100% of the revenue (2013: 100%).

Note 21. Company details

The registered office and principle place of business is: Shop 3, 97 Vincent Street, Daylesford 3460

Note 22. Earnings per share

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:

	2014 $	2013 $
Profit/(loss) after income tax expense	**(127,222)**	**(97,342)**
Weighted average number of ordinary shares for basic and diluted earnings per share	**600,008**	**600,008**

Note 23. Dividends paid or provided for on ordinary shares

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

Note 24. Leases

	2014 $	2013 $
Operating lease commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements		
Payable - minimum lease payments		
- no later than 12 months	57,880	55,923
- between 12 months and 5 years	80,102	137,983
- greater than 5 years	-	-
	137,982	**193,906**

The main property lease is a non-cancellable lease with a 5 year term, with rent payable monthly in advance and annual fixed increases each year. The lease has 2, 5-year options of extension.

Note 25. 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	159	6,205
Trade and other receivables	7	37,888	35,594
Total financial assets		**38,047**	**41,799**
Financial liabilities			
Trade and other payables	10	29,334	50,645
Borrowings		95,428	114,058
Bank overdraft	12	163,825	-
Total financial liabilities		**288,587**	**164,703**

Financial risk management policies

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

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.

Note 25. 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	**159**	**6,205**

(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.

In addition the company has extended its overdraft facility to $300,000 with Bendigo and Adelaide Bank Limited.

The table below reflects an undiscounted contractual maturity analysis for financial liabilities. Bank overdrafts have been deducted in the analysis as management does not consider there is any material risk the bank will terminate such facilities. The Bank does however maintain the right to terminate the facilities without notice and therefore the balances of overdrafts outstanding at year end could become repayable within 12 months.

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.

Financial liability and financial asset maturity analysis:

30 June 2014	Note	Total $	Within 1 year $	1 to 5 years $	Over 5 years $
Financial liabilities due					
Trade and other payables	10	29,334	29,334	-	-
Loans and borrowings	12	95,428	16,151	79,277	-
Bank overdraft	12*	163,825	163,825	-	-
Total expected outflows		**288,587**	**209,310**	**79,277**	**-**
Financial assets - realisable					
Cash & cash equivalents	6	159	159	-	-
Trade and other receivables	7	37,888	37,888	-	-
Total anticipated inflows		**38,047**	**38,047**	**-**	**-**
Net (outflow)inflow on financial instruments		**(250,540)**	**(171,263)**	**(79,277)**	**-**

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

Note 25. Financial risk management (continued)

(b) Liquidity risk (continued)

30 June 2013	Note	Total $	Within 1 year $	1 to 5 years $	Over 5 years $
Financial liabilities due					
Trade and other payables	10	50,645	50,645	-	-
Loans and borrowings	12	114,058	25,966	88,092	-
Total expected outflows		**164,703**	**76,611**	**88,092**	**-**
Financial assets - realisable					
Cash & cash equivalents	6	6,205	6,205	-	-
Trade and other receivables	7	35,594	35,594	-	-
Total anticipated inflows		**41,799**	**41,799**	**-**	**-**
Net (outflow)/inflow on financial instruments		**(122,904)**	**(34,812)**	**(88,092)**	**-**

(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.

Note 25. Financial risk management (continued)

(c) Market risk (continued)

Sensitivity analysis (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)	(1,637)	(1,637)
	(1,637)	**(1,637)**
Year ended 30 June 2013		
+/- 1% in interest rates (interest income)	(771)	(771)
	(771)	**(771)**

The company has no exposure to fluctuations in foreign currency.

(d) Price risk

The company is not exposed to any material price risk.

Directors' declaration

In accordance with a resolution of the Directors of Daylesford District Community Developments Limited, the Directors of the company declare that:

1 the financial statements and notes, as set out on pages 15 to 43 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.

Marek Rak
Chairman

Geoffrey Vincent
Director

Signed at Daylesford on 23 September 2014.

Richmond Sinnott & Delahunty
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DAYLESFORD DISTRICT COMMUNITY DEVELOPMENTS LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Daylesford District Community Developments 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 entity comprising the company and the entities it controlled at the year's end.

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 gives a true and fair view and 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 Daylesford District Community Developments 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 Daylesford District Community Developments Limited is in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the entity'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 (including Australian Accounting Interpretations) and the Corporations Regulations 2001; and

(b) the financial report also complies with the International Financial Reporting Standards as disclosed in Note 1.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 in the financial report, which indicates that the company incurred a net loss of $127,222 during the year ended 30 June 2014, further reducing the company's net assets to $182,046. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt over the company's ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business.

RICHMOND SINNOTT & DELAHUNTY
Chartered Accountants

P. P. Delahunty
Partner

Dated at Bendigo, 23 September 2014

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Phone: 0417 186 693
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Share Registry:
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(BMPAR14032) (08/14)

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