Annual Report 2015

Dingley Village Financial Services Limited

ABN 27 098 041 493

Dingley Village **Community Bank®** Branch

Contents

Chairman's report

For year ending 30 June 2015

"Building on the past, towards a successful future!"

Welcome to the 14th Annual Report of Dingley Village Financial Services Limited. A major milestone and a significant achievement for Dingley Village **Community Bank**® Branch. We have operated for 14 full financial years, as we opened on 22 April 2002. In fact the community commenced down the path of establishing a **Community Bank**® branch in February 2001 with the first meeting of a committee formed to "return face to face banking" to Dingley Village. From those humble, ambitious and dedicated beginnings, Dingley Village Financial Services Limited has transformed into an economic powerhouse, now being in the top three single branch sites in Australia. This milestone is representative of a vibrant and dedicated community.

There have been a number of exciting projects and initiatives that Dingley Village **Community Bank**® Branch have been involved with. I would like to highlight some of them and provide a snapshot into the wonderful things that we have provided back to the community.

In this last financial year we funded the costs, in partnership with the City of Kingston, for the Dingley Netball Club Forecourt development project. This project is now completed and is a wonderful asset for the community and able to be enjoyed by all. This very significant and important community asset is an example of our success bringing success to the wider community. It represents just one of the many highlights of the year that our **Community Bank**® branch has been involved in. There was an official opening earlier in 2015. This community asset is not only one that the wider community can enjoy and utilise, but it is also one that represents the success of a wider collaboration between residents, participants, stakeholders and business together with the shareholders who are the owners of the **Community Bank**® company.

While we will always fund new and exciting community projects, we also continue the funding of a series of new community initiatives that support our youth and gives them a voice in the community. These initiatives consist of the "Chairman's Scholarship", a scholarship awarded to a Dingley resident to assist them with education or philanthropic activities, the "Kids Giving Back" program, which allows a group of Dingley primary school children to propose to the Board initiatives that help the community, the "DV Youth Foundation Project", which allows a group of teenagers from secondary schools and sporting clubs to propose to the Board projects that will benefit teenagers living in the Dingley community, and finally the "Young Achiever Award" which is aimed at promoting a local young entrepreneur, providing a small grant as well as having access to the Board in terms of mentoring. We also continue to fund the "fresh fruit" program for primary schools and we have also allocated funds for a new fence for the Dingley Primary School to modernise it and enhance the safety of pupils.

We recently achieved the milestone of having given away $3 million back to our local community! This could not have been achieved without your continued support and the milestone is again demonstrative of the strength of our community.

The branch opened its doors with a zero balance but a community full of support. We now hold over $200 million worth of banking business and we employ nine staff. We have contributed over $2.597 million of profits back to the community in the form of community grants and dividends to shareholders. In addition to this, we have supplied many sponsorship grants to keep football, netball, cricket, baseball, scouting, aged care, service clubs, schools, neighbourhood centre and numerous other community groups to continue to offer their services, particularly when the Global Financial Crisis one and two came and donations from alternative sources become non existent or extremely scarce.

Then there is you, our shareholders and owners, who together with our Board members over the last 12 years, have put faith in a new banking concept and contributed your funds through a prospectus to raise $630,000 to fund our community enterprise – the Dingley Village **Community Bank**® Branch.

Our returns to shareholders have been as follows:

2006	Capital return 5c	$63,000
2007	Capital return 5c	$63,000
2008	Dividend fully franked	$63,000
2009	Dividend fully franked	$63,000
2010	Dividend fully franked	$63,000
2011	Dividend fully franked	$63,000
2012	Dividend fully franked	$78,750
2013	Dividend fully franked	$78,750
2014	Dividend fully franked	$78,750
2015	Dividend fully franked	$56,700
	Total	**$670,950**

Not including the return of capital, we have thus returned to shareholders over $544,950 in dividends and also paid the appropriate tax to the Australian Taxation Office to do so.

What is now factually correct is that the **Community Bank**® branch that you all own has funded what we might describe as "Community Assets". Therefore we could quite rightly call these assets on the community balance sheet of Dingley Village.

These include:

The Community Bus, The Netball Courts, Football and Cricket Club electronic scoreboard and new cricket nets, the Rotary Memorial and the many other smaller provisions made to the many groups and the Netball Forecourt Project for 2014. These are assets paid for by the profits of the **Community Bank**® branch for the benefit of members of the community in the years to come.

Year in review

Significantly, we have not only survived the GFC in 2008, and the GFC two in 2011, we have actually managed to progress through them, and maintain profits and dividends.

Anne McAllister continues in the role as as Branch Manager since March 2011. Anne's capacity for hard work is prodigious and I commend her for the high level of dedication and effort that she maintains.

The branch continues to grow and remains a friendly, efficient and professional team. Anne has many years managing branches and is revelling in the **Community Bank**® model and the successes we are a part of in our community. I also commend each of the staff members to you. They are the face of the business and the nexus between the company and the community.

I also thank Ann Reed for her continued work in the company office and continued service to the company.

In summary, we grew our holdings by many millions to reach footings of $200 million and revealed a net profit of $30,803. When one considers that we have a charter to distribute 80% of our profits to community then this is a significant contribution we are able to make thanks to our customers.

Chairman's report (continued)

Board members

We have welcomed Adam Arness and Kanwar Singh as new Directors. They have settled in very well to their roles and augment the diversity and strength of our Board. We remain truly reflective of a diverse and modern Board that truly reflects the modern society within which we operate.

As Chairman, I wish to personally thank all Board members and their partners for their support over the years for the time they have given this company on a voluntary basis. Their commitment, dedication and support to me, as the Chairman, is measured by the fact of the extraordinary success the Dingley Village **Community Bank**® Branch has achieved during that time.

The Board members act without remuneration, voluntarily and for the benefit of the shareholders of the community. They give selflessly and without any accolade and little, if any, recognition.

Bendigo and Adelaide Bank has rated our branch in the top three out of the single branch enterprises in excess of 310 **Community Bank**® branches, based on a number of factors like banking business, customers and community contributions, in Australia and with both the new Board members skills, as well as the skills and experience of the current Board members.

I am confident the next decade will bring continued success for Dingley Village **Community Bank**® Branch through the Board, shareholders and most importantly the passionate Dingley Village community.

Lastly, I wish to add that our continued success coincides with the community's success. As many of you will be aware, the local shopping centre has endured many pressures and many changes. Fortunately progress has been achieved with the local shopping centre. Woolworths has now been renovated and extended and with the rest of the shopping centre being developed in time, better times hopefully lie ahead for our local traders. I commend them to you and urge you to support them.

I wish you all a safe and prosperous holiday season and look forward to continuing and extending our success in 2016.

David Starvaggi
Chairman

Manager's report

For year ending 30 June 2015

During 2015 we have seen our business experience significant growth and a continuation of the profitability which enables us to support and strengthen our local community. This year we again assisted more than 50 community organisations through our profits and resources, whether financially or in kind.

Our branch holds 9,773 active accounts.

$107.416 million in deposit funds.

$86.151 million in loan funds.

$26.316 million in other business

Totalling $219.883 million.

These results are outstanding in such a competitive climate and are more impressive given the maturity of the branch and the last two years changes in funding by Bendigo and Adelaide Bank Limited.

Following are some of the contributing factors to our success:

- Our well trained and motivated staff, who have embraced the many, recent changes and regulations in our industry.
- Bendigo and Adelaide Bank Limited's continuous improvement to products and procedures with particular acknowledgement to our Business Banking team. "Business Bank of the Year" for the last four years.
- An increased involvement by our Board in building mutually beneficial partnerships within local community groups.
- Our customers growing recognition of the suite of products which we offer and the competitive pricing we apply.

I would like to take this opportunity to thank all of our staff and related support staff for their continued commitment in providing our customers with exceptional service. Thanks also to our volunteer Board for their support and commitment to improving the bank and therefore the growth and progress of our community. However, without our customers and shareholders, who are the best advocates of our **Community Bank**® branch, we would not exist, so major thanks and appreciation is extended to all of them.

Anne McAllister
Branch Manager

Directors' report

For the financial year ended 30 June 2015

The Directors present their report on Dingley Village Financial Services Limited for the financial year ended 30 June 2015.

1. General information

<u>Information on Directors</u>

The names of each person who has been a Director during the year and to the date of this report are:

David Starvaggi

Chairman

Qualifications: Barrister and current member of the Victorian Bar with experience in commercial, family and criminal law. Board member of the Springvale Monash Legal Service since 2004 and also former Deputy Chairman of this body.

Bryan Ford

Vice Chairman

Qualifications: 20 years Director/Owner of two offices in major Real Estate franchise. Total of 30 years experience in Real Estate. Past Director Governor, zone Chairman, President and life member of Apex Australia. Past President and Director of Oakleigh Football Club (VFA). Current Managing Director of Melbourne Wide Property Advocate Services.

Kanwar Singh

Company Secretary/Treasurer Appointed 27 November 2014

Qualifications: MBA; Bachelor of Commerce (Hons); Fellow CPA Australia; Fellow IPA; Fellow NTAA. Managing Director of SS Accounting Solutions, Dingley Village. Has been involved with the Dingley Village community for over 20 years and is actively involved in local Dingley Village cricket club. Treasurer and Company Secretary; Finance & HR Sub Committee member.

Darren Bodey

Director

Qualifications: Qualified electrician, registered commercial building practitioner, 22 years as the managing Director. Director of DVFS for 9 years.

1. General information (continued)

Information on Directors (continued)

Stephen Duggan

Director

Qualifications: MBA (Distinction), Grad.Dip. Trade Mark Practice, B.Business. Long term resident of Dingley Village. Over 20 years of General Management experience across a diverse range of industries, with responsibilities for domestic and international markets. Previous Board and Committee experience. Currently, President of John Monash Science School Council, Marketing sub committee member, HR sub committee member.

Leigh Menzel

Director

Qualifications: B.Sc (Ma) University of Adelaide and currently a computer programmer at AppliCad Australia. Board member for 7 years and part of the Marketing Sub committee.

Karl Pickford

Director

Qualifications: Business owner for the last 29 years. Inaugural Director, 14 years experience on the Board. Part of the Marketing sub committee

Julieanne Pool

Director

Qualifications: Extensive background in Human Resources, Training, Customer Service and Office Management and Administration. Involved in local Netball and Softball for over 40 years and has served on numerous committees. Currently Secretary of the Springvale & District Netball Association and a life member of SDNA.

Andrea Rahilly

Director

Qualifications: Bachelor of Teaching in Early Childhood Development and Post Graduate University studies in Education. Kindergarten teacher for over 11 years. Past President of Dingley Kindergarten Centres and currently the Business Manager of Dingley Kindergarten Centres.

1. General information (continued)

Information on Directors (continued)

Adam Arness

Director

Qualifications: Bachelor of Laws LL.B. Monash University. Grad Dip. Legal Practice. Recently admitted to the Supreme Court of Victoria as an Australian Lawyer. Extensive experience on local committees, youth volunteering and education via tutoring and lecturing both secondary and tertiary students.

Peter Young

Secretary Resigned 27 November 2014.

Qualifications: Chartered Accountant with more than 15 years experience in senior financial management roles including previous Directorships and Company Secretary roles.

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

Principal activities

The principal activity of Dingley Village Financial Services Limited during the financial year were the provision of banking services to the business and residential community.

No significant changes in the nature of the company's activity occurred during the financial year.

2. Operating results and review of operations for the year

Operating results

The profit of the company after providing for income tax amounted to $30,803 (2014: $83,720).

3. Other items

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the company during the year.

Matters or circumstances arising after the end of the year

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

3. Other items (continued)

Environmental matters

The company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory.

Dividends paid or recommended

Dividends paid or declared since the start of the financial year are as follows:

- A fully franked dividend of $ 56,700 was paid during the year as recommended in last year's report.

Meetings of Directors

During the financial year, 11 meetings of Directors (including committees of Directors) were held. Attendances by each Director during the year were as follows:

	Directors' meetings	
	Number eligible to attend	**Number attended**
David Starvaggi (Chairman)	11	11
Kanwar Singh (Company Secretary/Treasurer)	6	6
Bryan Ford (Vice Chairman)	11	6
Peter Young (Secretary)	5	5
Darren Bodey	11	11
Stephen Duggan	11	10
Leigh Menzel	11	8
Karl Pickford	11	7
Julieanne Pool	11	11
Andrea Rahilly	11	7
Adam Arness	11	11

Options

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

Indemnification and insurance of Officers and Auditors

The company has paid premiums to insure each of the following Directors against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct while acting in the capacity of Director of the company, other than conduct involving a wilful breach of duty in relation to the company. The premiums for each Director amounted to $475.

Auditor's independence declaration

The lead Auditor's independence declaration in accordance with section 307C of the Corporations Act 2001, for the year ended 30 June 2015 has been received and can be found on page 11 of the financial report.

3. Other items (continued)

Remuneration report

No Director of the company receives renumeration for services as a company Director or Committee member.

The Board's policy in respect of the Branch Manager is to maintain remuneration at parity within the **Community Bank®** network and local market rates for comparable roles.

There are no company executives who are directly accountable and responsible for the strategic direction of the entity. This is wholly a Board role (who act in a voluntary capacity).

Dingley Village Financial Services Limited has accepted the **Community Bank®** Directors' Privileges package. The package is available to all Directors who can elect to avail themselves of the benefits based on their personal banking with the Dingley Village **Community Bank®** Branch. There is no requirement to own BEN shares and there is no qualification period to qualify to utilize the benefits. The package mirrors the benefits currently available to Bendigo and Adelaide Bank Limited shareholders.

Signed in accordance with a resolution of the Board of Directors:

David Starvaggi	**Kanwar Singh**
Chairman	**Company Secretary/Treasurer**

Dated 29 September 2015

Auditor's independence declaration

ASHFORDS
AUDIT AND ASSURANCE

Ashfords Audit & Assurance Pty Ltd
ABN 52 138 965 241
Suite 12, 14 Garden Blvd
Dingley VIC 3172
P O Box 684
Braeside VIC 3195
613 9551 6692
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Dingley Village Financial Services Limited
ABN 27 098 041 493

Auditors Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Dingley Village Financial Services Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2015, there have 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.

Ashfords Audit + Assurance

Ashfords Audit and Assurance Pty Ltd

Andrew White

29 September 2015

Dingley

Financial statements

Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2015

	Note	2015 $	2014 $
Revenue	4	1,477,990	1,427,278
Other income		1,391	1,600
Employee benefits expense		(638,518)	(625,665)
Depreciation and amortisation expense		(37,100)	(40,313)
Sponsorship and marketing expenses		(406,349)	(302,011)
Occupancy expenses		(187,134)	(176,041)
Computer expenses		(35,474)	(35,811)
Other expenses	5	(129,812)	(128,447)
Profit before income tax		**44,994**	**120,590**
Income tax expense	6	(14,191)	(36,870)
Profit for the year after tax		**30,803**	**83,720**
Other comprehensive income, net of income tax		-	-
Total comprehensive income for the year		**30,803**	**83,720**

Earnings per share		
From continuing and discontinued operations:		
Basic earnings per share (cents)	5.55	13.29

The accompanying notes form part of these financial statements.

Statement of Financial Position as at 30 June 2015

	Note	2015 $	2014 $
Assets			
Current assets			
Cash and cash equivalents	8	358,369	393,135
Trade and other receivables	9	142,817	145,444
Current tax receivable	19	32,169	-
Total current assets		**533,355**	**538,579**
Non current assets			
Property, plant and equipment	10	286,104	311,079
Deferred tax assets	19	14,643	16,907
Intangible assets	11	20,258	31,956
Total non current assets		**321,005**	**359,942**
Total assets		**854,360**	**898,521**
Liabilities			
Current liabilities			
Trade and other payables	12	99,471	91,066
Current tax liabilities	19	-	19,054
Employee benefits	13	48,809	48,331
Total current liabilities		**148,280**	**158,451**
Non current liabilities			
Deferred tax liabilities	19	190	257
Employee benefits	13	-	8,026
Total non current liabilities		**190**	**8,283**
Total liabilities		**148,470**	**166,734**
Net assets		**705,890**	**731,787**
Equity			
Issued capital	14	567,010	567,010
Retained earnings		138,880	164,777
		705,890	**731,787**
Total equity		**705,890**	**731,787**

The accompanying notes form part of these financial statements.

Statement of Changes in Equity
for the year ended 30 June 2015

	Note	Issued capital $	Retained earnings $	Total equity $
2015				
Balance at 1 July 2014		**567,010**	**164,777**	**731,787**
Profit or loss after tax		-	30,803	30,803
Dividends paid or provided for	7	-	(56,700)	(56,700)
Balance at 30 June 2015		**567,010**	**138,880**	**705,890**

	Note	Issued capital $	Retained earnings $	Total equity $
2014				
Balance at 1 July 2013		**567,010**	**159,807**	**726,817**
Profit or loss after tax		-	83,720	83,720
Dividends paid or provided for	7	-	(78,750)	(78,750)
Balance at 30 June 2014		**567,010**	**164,777**	**731,787**

The accompanying notes form part of these financial statements.

Statement of Cash Flows
for the year ended 30 June 2015

	Note	2015 $	2014 $
Cash flows from operating activities:			
Receipts from customers		1,473,921	1,420,680
Payments to suppliers and employees		(1,397,389)	(1,233,622)
Interest received		8,926	9,452
Income taxes paid		(63,215)	(40,359)
Net cash provided by/(used in) operating activities	**22**	**22,243**	**156,151**
Cash flows from investing activities:			
Purchase of property, plant and equipment		(426)	(960)
Net cash used by investing activities		**(426)**	**(960)**
Cash flows from financing activities:			
Dividends paid		(56,533)	(80,325)
Return of capital		(50)	(335)
Net cash used by financing activities		**(56,583)**	**(80,660)**
Net increase/(decrease) in cash and cash equivalents held		(34,766)	74,531
Cash and cash equivalents at beginning of year		393,135	318,604
Cash and cash equivalents at end of financial year	**8**	**358,369**	**393,135**

The accompanying notes form part of these financial statements.

Notes to the financial statements

For year ended 30 June 2015

The financial report covers Dingley Village Financial Services Limited as an individual entity. Dingley Village Financial Services Limited is a for profit company limited by shares, incorporated and domiciled in Australia.

The functional and presentation currency of Dingley Village Financial Services Limited is Australian dollars.

The financial report was authorised for issue by the Directors on 29 September 2015.

Comparatives are consistent with prior years, unless otherwise stated.

Note 1. Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

These financial statements and associated notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The financial statements 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.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

Note 2. Summary of significant accounting policies

(a) Income tax

The tax expense recognised in the statement of profit or loss and other comprehensive income comprises of current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax is not provided for the following:

- The initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).
- Taxable temporary differences arising on the initial recognition of goodwill.
- Temporary differences related to investment in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Note 2. Summary of significant accounting policies (continued)

(a) Income tax (continued)

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current tax assets and liabilities are offset where there is a legally enforceable right to set off the recognised amounts and there is an intention either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset where there is a legal right to set off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

(b) Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight line basis over the life of the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight line basis over the life of the lease term.

(c) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

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

<u>Interest revenue</u>

Interest is recognised using the effective interest method.

<u>Rendering of services</u>

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

<u>Other income</u>

Other income is recognised on an accruals basis when the company is entitled to it.

Note 2. Summary of significant accounting policies (continued)

(d) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

(e) Goods and Services Tax (GST)

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

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(f) Property, plant and equipment

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

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Plant and equipment

Plant and equipment are measured using the revaluation model.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight line basis over the assets useful life to the company, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

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

Fixed asset class	Depreciation rate
Plant and equipment	37.5%
Leasehold improvements	6.67%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(g) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Note 2. Summary of significant accounting policies (continued)

(g) Financial instruments (continued)

Financial assets

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables;
- financial assets at fair value through profit or loss;
- available for sale financial assets; and
- held to maturity investments.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Company's trade and most other receivables fall into this category of financial instruments.

Discounting is omitted where the effect of discounting is considered immaterial.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

In some circumstances, the company renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the company does not necessarily consider the balance to be impaired, however assessment is made on a case by case basis.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets:

- acquired principally for the purpose of selling in the near future
- designated by the entity to be carried at fair value through profit or loss upon initial recognition or
- which are derivatives not qualifying for hedge accounting.

The company has some derivatives which are designated as financial assets at fair value through profit or loss.

Assets included within this category are carried in the statement of financial position at fair value with changes in fair value recognised in finance income or expenses in profit or loss.

Any gain or loss arising from derivative financial instruments is based on changes in fair value, which is determined by direct reference to active market transactions or using a valuation technique where no active market exists.

Note 2. Summary of significant accounting policies (continued)

(g) Financial instruments (continued)

Held to maturity investments

Held to maturity investments are non derivative financial assets with fixed or determinable payments and fixed maturity. Investments are classified as held to maturity if it is the intention of the company's management to hold them until maturity.

Held to maturity investments are subsequently measured at amortised cost using the effective interest method, with revenue recognised on an effective yield basis. In addition, if there is objective evidence that the investment has been impaired, the financial asset is measured at the present value of estimated cash flows. Any changes to the carrying amount of the investment are recognised in profit or loss.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired. Although the company uses derivative financial instruments in economic hedges of currency and interest rate risk, it does not hedge account for these transactions.

The Company's financial liabilities include borrowings, trade and other payables (including finance lease liabilities), which are measured at amortised cost using the effective interest rate method.

Impairment of financial assets

At the end of the reporting period the company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

Available for sale financial assets

A significant or prolonged decline in value of an available for sale asset below its cost is objective evidence of impairment, in this case, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a

reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

(h) Impairment of non financial assets

At the end of each reporting period the company determines whether there is an evidence of an impairment indicator for non financial assets.

Where this indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Note 2. Summary of significant accounting policies (continued)

(h) Impairment of non financial assets (continued)

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

(i) Intangible assets

<u>Research and development</u>

The franchise fee paid to Bendigo and Adelaide Bank Limited has been recorded at cost and is amortised on a straight line basis over the life of the franchise agreement.

The renewal processing fee paid to Bendigo and Adelaide Bank Limited when renewing the franchise agreement has also been recorded at cost and is amortised on a straight line basis over the life of the franchise agreement.

(j) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

(k) 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 an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured at the present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting period. The discount rate used is a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the unwinding of the discount is taken to finance costs in the statement of profit or loss and other comprehensive income.

(l) Economic dependence

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

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

Note 2. Summary of significant accounting policies (continued)

(l) Economic dependence (continued)

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 Manager and other employees in banking, management systems and interface protocol;
- methods and procedures for the sale of products and provision of services;
- security and cash logistic controls;
- calculation of company revenue and payment of many operating and administrative expenses
- the formulation and implementation of advertising and promotional programs; and
- sales techniques and proper customer relations.

(m) Adoption of new and revised accounting standards

During the current year, the company adopted all of the new, revised or amended accounting standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period. The adoption of new and accounting standards and interpretations did not have any significant impact on the financial performance or position of the company.

(n) New accounting standards and interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The company has decided not to early adopt these Standards. The following table summarises those future requirements, and their impact on the company where the standard is relevant:

Standard Name	Effective date for entity	Requirements	Impact
AASB 2015 3	1 July 2015	To remove Australian Guidance on materiality from Australian Accounting Standards.	There is no expected impact for the company.
AASB 2014 4	1 January 2016	The standard amends AASB 116 and AASB 138 to establish the principle for the basis of depreciation adn amortisation as being the expected pattern of consumption of future economic benefits of an asset, and to clarify that revenue is generally presumed to be an inappropriate basis for that purpose.	There is no expected impact on the company.

Notes to the financial statements (continued)

Note 2. Summary of significant accounting policies (continued)

(n) New accounting standards and interpretations (continued)

Standard Name	Effective date for entity	Requirements	Impact
AASB 9	1 January 2018	The standard supersedes both AASB 9 (December 2010) and AASB 9 (December 2009) when applied. It introduces a "fair value through other comprehensive income" category for debt instruments, contains requirements for impairment of financial assets etc.	There is no expected impact on the company.

Note 3. Critical accounting estimates and judgments

The Directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates – impairment of property, plant and equipment

The company assesses impairment at the end of each reporting period by evaluating conditions 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.

Key estimates – fair value of financial instruments

The company has certain financial assets and liabilities which are measured at fair value. Where fair value has not able to be determined based on quoted price, a valuation model has been used. The inputs to these models are observable, where possible, however these techniques involve significant estimates and therefore fair value of the instruments could be affected by changes in these assumptions and inputs.

Key estimates – revenue recognition long term contracts

The company undertakes long term contracts which span a number of reporting periods. Recognition of revenue in relation to these contracts involves estimation of future costs of completing the contract and the expected outcome of the contract. The assumptions are based on the information available to management at the reporting date, however future changes or additional information may mean the expected revenue recognition pattern has to be amended.

Key estimates – provisions

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

Note 3. Critical accounting estimates and judgments (continued)

Key estimates – receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

Key judgments – taxes

Deferred tax assets

Determining income tax provisions involves judgment on the tax treatment of certain transactions. Deferred tax is recognised on tax losses not yet used and on temporary differences where it is probable that there will be taxable revenue against which these can be offset. Management has made judgments as to the probability of future taxable revenues being generated against which tax losses will be available for offset based on budgets, current and future expected economic conditions.

Different jurisdictions

The company is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Note 4. Revenue and other income

Revenue from continuing operations

Finance income includes all interest related income, other than those arising from financial assets at fair value through profit or loss. The following amounts have been included in the finance income line in the statement of profit or loss and other comprehensive income for the reporting periods presented:

	2015 **$**	**2014** **$**
Sales revenue		
provision of services	1,016,928	1,005,214
Upfront product commissions	294,272	241,701
Fee Income	108,086	110,953
Market Development Fund	50,000	50,000
	1,469,286	**1,407,868**
Finance income		
other interest received	8,704	9,410
Finance income	**8,704**	**9,410**
Total revenue	**1,477,990**	**1,417,278**
Other income	1,391	1,600

	2015 $	2014 $

Note 5. Result for the year

The result for the year was derived after charging / (crediting) the following items:

The result for the year includes the following specific expenses:		
Other expenses:		
Employee benefits expense	638,518	625,665
Amortisation expense	37,100	40,313
Impairment of receivables:		
Bad debts	4,976	2,895
Total impairment of receivables	**4,976**	**2,895**

Note 6. Income tax expense

(a) The major components of tax expense (income) comprise:

Current tax expense		
Local income tax – current period	11,993	42,102
Deferred tax expense		
Origination and reversal of temporary differences	2,198	(5,232)
Total income tax expense	**14,191**	**36,870**

(b) Reconciliation of income tax to accounting profit:

Prima facie tax payable on profit from ordinary activities before income tax at 30% (2014: 30%)	13,498	36,177
Add:		
Tax effect of:		
non deductible depreciation and amortisation	693	693
Income tax expense	**14,191**	**36,870**

Note 7. Dividends

(a) The following dividends were declared and paid:

Final franked ordinary dividend of 9.5 cents (2013: 12.5) cents per share	56,700	78,750
Franked dividends declared or paid during the year were franked at the tax rate of 30%.		
Franking account		
The franking credits available for subsequent financial years at a tax rate of 30%	92,548	53,633

Note 7. Dividends (continued)

The above available balance is based on the dividend franking account at year end adjusted for:

(a) Franking credits that will arise from the payment of the current tax liabilities;

(b) Franking debits that will arise from the payment of dividends recognised as a liability at the year end;

(c) Franking credits that will arise from the receipt of dividends recognised as receivables at the end of the year.

The ability to use the franking credits is dependent upon the company's future ability to declare dividends.

	2015 $	2014 $
Note 8. Cash and cash equivalents		
Cash at bank and in hand	47,632	57,404
Short term bank deposits	310,737	335,731
	358,369	393,135
Note 9. Trade and other receivables		
Current		
Trade receivables	130,879	134,122
	130,879	**134,122**
Prepayments	7,856	7,018
Other receivables	4,082	4,304
Total current trade and other receivables	**142,817**	**145,444**
Note 10. Property, plant and equipment		
Plant and equipment		
Plant and equipment		
At cost	68,718	68,291
Accumulated depreciation	(57,365)	(55,136)
Total plant and equipment	**11,353**	**13,155**
Improvements		
At cost	502,236	502,236
Accumulated depreciation	(227,485)	(204,312)
Total improvements	**274,751**	**297,924**
Total property, plant and equipment	**286,104**	**311,079**

Note 10. Property, plant and equipment (continued)

(a) Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

Parent	Plant and equipment $	Improvements $	Total $
Year ended 30 June 2015			
Balance at the beginning of year	13,155	297,924	311,079
Additions	427	-	427
Depreciation expense	(2,229)	(23,173)	(25,402)
Balance at the end of the year	**11,353**	**274,751**	**286,104**

Parent	Plant and equipment $	Improvements $	Total $
Year ended 30 June 2014			
Balance at the beginning of year	16,194	322,540	338,734
Additions	960	-	960
Depreciation expense	(3,999)	(24,616)	(28,615)
Balance at the end of the year	**13,155**	**297,924**	**311,079**

Note 11. Intangible assets

	2015 $	2014 $
Development costs		
Cost	720	720
Accumulated amortisation and impairment	(720)	(576)
Net carrying value	**-**	**144**
Licenses and franchises		
Cost	57,768	57,768
Accumulated amortisation and impairment	(37,510)	(25,956)
Net carrying value	**20,258**	**31,812**
Other intangible assets		
Cost	19,758	19,758
Accumulated amortisation and impairment	(19,758)	(19,758)
Total Intangibles	**20,258**	**31,956**

Note 11. Intangible assets (continued)

(a) Movements in carrying amounts of intangible assets

	Licenses and franchises $	Development costs $	Total $
Year ended 30 June 2015			
Balance at the beginning of the year	31,812	144	31,956
Amortisation	(11,554)	(144)	(11,698)
Closing value at 30 June 2015	**20,258**	**-**	**20,258**

	2015 $	2014 $

Note 12. Trade and other payables

Current		
Unsecured liabilities		
Trade payables	30,406	20,423
Other payables	58,190	59,935
	88,596	**80,358**
Secured liabilities		
Dividend payable	10,875	10,708
	10,875	**10,708**
	99,471	**91,066**

All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value.

Note 13. Employee benefits

Current liabilities		
Long service leave	10,407	11,211
Provision for employee benefits	38,402	37,120
	48,809	**48,331**
Non current liabilities		
Long service leave	-	8,026
	-	**8,026**

	2015 $	2014 $
Note 14. Issued capital		
630,000 (2014: 630,000) Ordinary shares @ 90 cents	567,010	567,010

Note 15. Capital and leasing commitments

(a) Operating leases

Minimum lease payments under non cancellable operating leases:		
not later than one year	82,500	6,021

Operating leases have been have been taken out for premises at Dingley.
Lease payments are increased on an annual basis to reflect market rentals.

Note 16. Remuneration of Auditors

Remuneration of the Auditor of the entity for:		
auditing or reviewing the financial statements	9,500	9,500

Note 17. Related parties

(a) The company's main related parties are as follows:

All Directors of the company are on a volunatry basis, therefore no remunertion guidelines have been prepared.

There were no related party transactions during the year.

Note 18. Events occurring after the reporting date

The financial report was authorised for issue on 29 September 2015 by the Board of Directors.

No matters or circumstances have arisen since the end of the financial year which significantly affected 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.

	2015 $	2014 $
Note 19. Tax assets and liabilities		
Current tax	32,169	-
Income tax payable	-	19,054
Recognised deferred tax assets and liabilities		
Deferred tax assets	**14,643**	**16,907**
Deferred tax liabilities	**190**	**257**

Note 19. Tax assets and liabilities (continued)

	Opening balance $	Charged to income $	Closing balance $
Deferred tax assets			
Provisions employee benefits	11,687	5,220	16,907
Balance at 30 June 2014	**11,687**	**5,220**	**16,907**
Provisions employee benefits	16,907	(2,264)	14,643
Balance at 30 June 2015	**16,907**	**(2,264)**	**14,643**
Deferred tax liability			
Other	270	(13)	257
Balance at 30 June 2014	**270**	**(13)**	**257**
Other	257	(67)	190
Balance at 30 June 2015	**257**	**(67)**	**190**

Note 20. Financial risk management

The company's financial instruments consist mainly of deposits with banks, short term investments, accounts receivable and payable.

(i) Financial instrument composition and maturity analysis

The company's exposure to interest rate risk, which is the risk that a financial instruments value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

	Weighted average effective interest rate		Floating interest rate	
	2015 %	2014 %	2015 $	2014 $
Financial assets:				
Cash and cash equivalents	0.01	0.01	47,632	57,404
Short term deposits	2.90	3.60	310,737	335,731
Receivables	-	-	-	-
Total financial assets			**358,369**	**393,135**
Financial liabilities:				
Trade and sundry payables	-	-	-	-
Total financial liabilities	**-**	**-**	**-**	**-**

Note 20. Financial risk management (continued)

(i) Financial instrument composition and maturity analysis (continued)

	Non interest bearing		Total	
	2015 $	2014 $	2015 $	2014 $
Financial assets:				
Cash and cash equivalents	-	-	47,632	57,404
Short term deposits	-	-	310,737	335,731
Receivables	142,817	145,444	142,817	145,444
Total Financial Assets	**142,817**	**145,444**	**501,186**	**538,579**
Financial Liabilities:				
Trade and sundry payables	93,491	91,066	93,491	91,066
Total Financial Liabilities	**93,491**	**91,066**	**93,491**	**91,066**

Credit risk

The company has no significant concentration of credit risk with respect to any single counterparty or group of counterparties other than those receivables specifically provided for and mentioned within Note 9. The main source of credit risk to the company is considered to relate to the class of assets described as ‘trade and other receivables’.

Sensitivity analysis

The following sensitivity analysis is based on the interest rate risk exposures in existence at the end of the reporting period.

An increase of 100 basis points or a decrease of 50 basis points would have increased equity and profit or loss by the amounts shown below. This analysis assumes that other variables are held constant.

	Profit		Equity	
	100 basis points increase	50 basis points decrease	100 basis points increase	50 basis points decrease
2015	3,584	(1,792)	3,584	(1,792)
2014	3,932	(1,966)	3,932	(1,966)

The movements in profit are due to higher interest costs from variable rate debt and cash balances.

The net exposure at the end of the reporting period is representative of what Dingley Village Financial Services Limited was and is expecting to be exposed to at the end of the next twelve months.

The sensitivity analysis is performed on the same basis as in 2014.

Note 21. Contingencies

In the opinion of the Directors, the company did not have any contingencies at 30 June 2015 (30 June 2014: None).

	2015 $	2014 $

Note 22. Cash flow information

(a) Reconciliation of result for the year to cashflows from operating activities

	2015 $	2014 $
Reconciliation of net income to net cash provided by operating activities:		
Profit for the year	30,803	83,719
Cash flows excluded from profit attributable to operating activities		
Non cash flows in profit:		
amortisation	11,698	11,698
depreciation	25,402	28,615
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
(increase)/decrease in trade and other receivables	(1,329)	2,339
(increase)/decrease in deferred tax receivable	2,264	(5,220)
increase/(decrease) in trade and other payables	12,243	19,169
increase/(decrease) in income taxes payable	(51,223)	1,744
increase/(decrease) in deferred taxes payable	(67)	(13)
increase/(decrease) in employee benefits	(7,548)	14,100
Cash flow from operations	**22,243**	**156,151**

Note 23. Company details

The registered office and principal place of business of the company is:

Dingley Village Financial Services Limited
Shop 11, 79 Centre Dandenong Road,
Dingley Village VIC 3172

Directors' declaration

The Directors of the company declare that:

1. the financial statements and notes for the year ended 30 June 2015 are in accordance with the Corporations Act 2001 and:
    a. comply with Accounting Standards, which, as stated in accounting policy note 2 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
    b. give a true and fair view of the financial position and performance of the company;
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 declaration is made in accordance with a resolution of the Board of Directors.

David Starvaggi
Chairman

Kanwar Singh
Company Secretary/Treasurer

Dated 29 September 2015

Independent audit report

ASHFORDS
AUDIT AND ASSURANCE

Ashfords Audit & Assurance Pty Ltd
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Dingley Village Financial Services Limited
ABN 27 098 041 493

Independent Audit Report to the members of Dingley Village Financial Services Limited

Report on the Financial Report

We have audited the accompanying financial report of Dingley Village Financial Services Limited, which comprises the statement of financial position as at 30 June 2015, the statement of profit or loss and other comprehensive income, statement of changes in equity and 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.

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 2, 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*.

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 that gives a true and fair view 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 Dingley Village Financial Services Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

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Dingley Village Financial Services Limited
ABN 27 098 041 493

Independent Audit Report to the members of Dingley Village Financial Services Limited

Opinion

In our opinion:

(a) the financial report of Dingley Village Financial Services Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the company's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

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

Ashfords Audit and Assurance

Ashfords Audit and Assurance Pty Ltd

Andrew White

Dingley

Dated this 24th day of September 2015

Dingley Village **Community Bank**® Branch
Shop 11, 79 Centre Dandenong Road,
Dingley Village VIC 3172
Phone: (03) 9551 6111 Fax: (03) 9551 6699

Franchisee: Dingley Village Financial Services Limited
Shop 11, 79 Centre Dandenong Road,
Dingley Village VIC 3172
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ABN: 27 098 041 493

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(BMPAR15152) (10/15)

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