



Bendigo and Adelaide Bank Limited, The Bendigo Centre, Bendigo, VIC 3550. ABN 11 068 049 178. AFSL 237879

31<sup>st</sup> May 2017

Pay Dingley Village Community  
The Sum of Four Million Dollars.

Not  
Negotiable

\$ 4,000,000-00

(Drawer)

Dingley Village **Community Bank**<sup>®</sup> branch

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(147559 v3) (16/01/2012)

# Annual Report 2017

Dingley Village Financial  
Services Limited

ABN 27 098 041 493

Dingley Village **Community Bank**<sup>®</sup> Branch

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# Chairman's report

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For year ending 30 June 2017

Welcome to the 16th Annual Report. As we enter our 16th year of operation, we continue to move from strength to strength as we celebrate this major milestone and a significant achievement for the Dingley Village **Community Bank**<sup>®</sup> Branch. We have operated for 16 full financial years having commenced operation on 22 April 2002. With the establishment of the **Community Bank**<sup>®</sup> branch in February 2001, Dingley Village Financial Services Limited has transformed into an economic powerhouse. We remain one of the top single branch sites in Australia, which is testament of our vibrant, thriving and dedicated community, our community, Dingley Village!

As you will no doubt be aware, as in past years, we continue to be involved in a number of exciting projects and initiatives that Dingley Village **Community Bank**<sup>®</sup> Branch have either facilitated individually or participated in with other key stakeholders. While there are simply too many projects, groups and organisations that we have assisted to mention in this report, the following snapshot provides a wonderful insight into our contribution to the local community.

In this last financial year, we have continued to maintain our existing levels of support for local kindergartens, primary schools, secondary schools, sporting clubs, charitable organisations and organisations which support and assist vulnerable members of our community. Put simply, our community continues to thrive and grow with the support of the **Community Bank**<sup>®</sup> branch.

We continue to fund new and exciting community projects. We also continue to fund a series of community initiatives that support our youth and their 'well-being', such as providing fresh fruit for each of the primary schools during school term. We remain a supporter 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.

As in past years, we are proud to continue with 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 had allocated funds for a new electronic sign for the Dingley Primary School to keep the wider community advised of events at the school. It is heartening to see this community asset now operating.

Additionally, we have now provided similar funding for another electronic sign at Kingswood Primary School to assist them in a similar manner. These community assets represent the success of a wider collaboration between residents, participants, stakeholders and business that is the **Community Bank**<sup>®</sup> company and the owners of our bank, the shareholders.

We recently achieved the milestone of having given \$4 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, and testament to, our vibrant community. We also continue to enjoy very strong support from our customers.

From our humble beginnings and the sustained growth that we have enjoyed over the successive years, we can lay claim to being a strong financial company and an excellent corporate citizen. We now have over \$260 million worth of banking business and we employ 10 staff. We have contributed over \$2.83 million of profits back to the community in the form of community grants and dividends to shareholders. As funding and donations from alternative sources has become non-existent or extremely scarce in recent years for various organisations, the Dingley Village **Community Bank**<sup>®</sup> Branch has continued to strengthen its position within the community in assisting others. This has resulted in a flourishing and thriving community that we should all feel a strong sense of pride therein.

# Chairman's report (continued)

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To you, our shareholders and owners, who together with our Board members over the last 15 years, you have put faith in a new banking concept and contributed your funds through a prospectus to raise \$630,000 to fund our Community Enterprise – our **Community Bank**<sup>®</sup> branch.

What is now factually correct is that the **Community Bank**<sup>®</sup> company 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 assets include:

The Community Bus, The Netball Courts, Football and Cricket Club electronic scoreboard and new cricket nets, the Rotary Memorial, electronic sign for our schools, sports uniforms and ancillary equipment, and the many other smaller provisions made to the many groups. These are assets paid for by the profits of the **Community Bank**<sup>®</sup> branch, for the benefit of members of the community to enjoy and utilise in the years to come.

## Year in review

We have survived many economic challenges in the last decade, including the GFC in 2008, and the GFC 2 in 2011, we have actually managed to progress through them, and maintain profits and dividends in what has become the new normal of low interest rates and a flat economy.

In 2016, the Bendigo Bank adopted and implemented the Funds Transfer Pricing Model. We have now successfully implemented this new model for over 12 months. While revenue streams are calculated differently, as one of the largest single site branches, we anticipate that we shall continue to thrive and enjoy strong success in the years to come.

Anne McAllister continues in the role as Branch Manager and we are fortunate to have had her leading the branch since March 2011. Once again, Anne's capacity for hard work is prodigious and I commend her for the high level of motivation and effort that she maintains. Staff morale is always high and it is a testament to the great leadership that Anne displays.

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**<sup>®</sup> model and the successes we are a part of in our community. I also commend each of the staff members to you. They remain the face of the business and the nexus between the company and the community. They never fail to have a smile on their face and are always eager and willing to assist. Never forget, you can still telephone the branch on 9551 6111 and speak to a real person, without having to push a single extra digit!

I also thank Ann Reed for her continued work in the company office and continued service to the company. Ann is a dedicated member of the team and integral to the smooth running of Dingley Village Financial Services Limited.

In summary, we continue to have strong banking business. When one considers that we have a charter to distribute 80% of our profits to our local community, it is encouraging for us to continue to do so.

## Board members

We remain reflective of a diverse and modern Board that reflects the modern society within which we operate. Our Board is dynamic and reflective of the wider community and we have a full Board of 10 Directors

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**<sup>®</sup> Branch has achieved during that time.

## Chairman's report (continued)

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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 Bank has rated our branch in the top three out of in excess of 300 **Community Bank**<sup>®</sup> 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 coming years will bring continued success for Dingley Village **Community Bank**<sup>®</sup> 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. There has now been significant progress with the local shopping centre. Woolworths has now been renovated and extended and with the rest of the shopping centre being developed progressively and I commend our local traders 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 successes in 2018.



**David Starvaggi**  
**Chairman**

# Manager's report

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For year ending 30 June 2017

It gives me great pleasure to report to you on the 2016/17 financial year, my seventh year as Branch Manager.

We have had some outstanding achievements not only in our branch, but also in our community in the 2016/17 financial year.

Our staff once again showed their strength in a period of prolonged change to our staffing structure and general change in banking; from transactional branch to advice branch. Only around 4% of our customer base regularly come into the branch, but we talk to them all the time and provide excellent remote banking facilities through cards, phone banking, internet, ATMs, Coin machines, EFTPOS, social media, tap and pay and hopefully coming soon Applepay.

We offer advice on a full range of lending, investment, insurance and financial planning services to cater for individual and business banking needs.

Highlights for the year were many:

- We hosted two grant offerings in this financial year and provided over \$250,000 taking our total to \$4 million to date. We provided things as diverse as funding for ballet tutus for sick children to resilience training for the three Dingley Village Primary Schools, Truck funding for Springvale SES and finance for a creative arts space at the Salvation Army building in Redwood Gardens.
- We once again partnered with Rotary Dingley Village to fund two outstanding memorial services on ANZAC Day and Remembrance Day and the memorable and heart warming local schools service.
- Another very successful Christmas Tree appeal with our staff and customers providing over 300 Christmas gifts for children who may not otherwise have received one.
- Continuation of our highly successful Fresh Fruit Programme.
- Sponsorships of Football, Netball, Basketball, Tennis, Baseball, Soccer, Cricket, Golf, Bowls teams in our area with at least four matches being arranged in different sports competitions (Bendigo Cup).
- Finalist in the 'Bendigo Bank **Community Bank**<sup>®</sup> Hall of Fame Awards'.

Our huge thanks must also go to our shareholders and customers for supporting the branch through banking with us. The more you utilise our products and services the more we can give back to our community and of course you the shareholder through dividends.

Lastly to our Board of Directors, thank you for your time and unfailing support of our **Community Bank**<sup>®</sup> branch, staff, customers and shareholders.

I wish you a Happy Christmas and a prosperous and peaceful 2018 and I look forward to seeing you all at this year's Bendigo Bank/ Make a Difference Dingley Village Community Christmas Carols.



**Anne McAllister**  
**Branch Manager**

# Directors' report

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For the financial year ended 30 June 2017

The Directors present their report on Dingley Village Financial Services Limited for the financial year ended 30 June 2017.

## 1. General information

### Information on Directors

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: 21 years Director/Owner of two offices in major Real Estate franchise. Total of 31 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)**

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 21 years and is actively involved in local Dingley Village cricket club. Treasurer and Company Secretary; Finance & HR Sub Committee member.



#### **Darren Bodey**

Qualifications: Qualified electrician, registered commercial building practitioner, 23 years as the managing Director. Director of DVFS for 11 years.



# Directors' report (continued)

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## 1. General information (continued)



### **Stephen Duggan**

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**

Qualifications: B.Sc (Ma) University of Adelaide and currently a computer programmer at AppliCad Australia. Board member for 9 years and part of the Marketing Sub committee.



### **Karl Pickford**

Qualifications: Business owner for the last 30 years. Inaugural Director 15 years experience on the Board. Part of the Marketing sub committee.



### **Julieanne Pool**

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**

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.



# Directors' report (continued)

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## 1. General information (continued)



### **Adam Arness**

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.



### **Dora Kambouris**

Qualifications: Dora is the Principal of Ray White Dingley Village. She is an active member of the Dingley Village community and thrives on helping the local community by being involved in Kingswood Primary School – being a community member on the school council, is a local Rotarian for Rotary Club of Dingley Village and helps support and sponsor local community groups including all 3 primary schools in Dingley and 2 Kindergartens, Rotary club, Senior Dingley Super football club, Salvation Army of Dingley Village and Make a Difference Foundation Dingley Village just to name a few, while also organising the Ray of Difference Fundraising event every Christmas in Dingley Village.

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 \$ 65,035 (2016: \$ 89,536).

### Review of operations

A review of the operations of the company during the financial year and the results of those operations show that a change has made in the way of calculating income under different sources (except fee income) due to the new **Community Bank**<sup>®</sup> network Revenue Share Model which is implemented by Bendigo and Adelaide Bank Limited on its franchised branches from 1 July 2016.

## 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.

# Directors' report (continued)

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### 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 \$ 63,000 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
Bryan Ford (Vice Chairman)	11	9
Kanwar Singh (Company Secretary/Treasurer)	11	7
Darren Bodey	11	8
Stephen Duggan	11	7
Leigh Menzel	11	8
Karl Pickford	5	4
Julieanne Poole	11	8
Andrea Rahilly	11	6
Adam Arness	11	9
Theodora Kambouris	5	2

#### 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 2017 has been received and can be found on page 11 of the financial report.

# Directors' report (continued)

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### 3. Other items (continued)

#### Remuneration report

No Director of the company receives remuneration 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**<sup>®</sup> 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**<sup>®</sup> 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**<sup>®</sup> 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 shareholders.

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



**David Starvaggi**  
Chairman



**Kanwar Singh**  
Company Secretary/Treasurer

Dated 28 September 2017

# Auditor's independence declaration



Ashfords Audit & Assurance Pty Ltd  
ABN 52 138 965 241

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info@ashfords.com.au

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 2017, 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 Pty Ltd*  
Ashfords Audit and Assurance Pty Ltd

  
Andrew White - CA  
Director

28 September 2017

Dandenong



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# Financial statements

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## Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2017

	Notes	2017 \$	2016 \$
Revenue	4	1,538,238	1,573,284
Other income		9,416	26,211
Employee benefits expense		(645,634)	(649,501)
Depreciation and amortisation expense		(41,133)	(39,304)
Sponsorship and Marketing expenses		(378,954)	(422,292)
Occupancy expenses		(189,680)	(198,462)
Computer expenses		(26,077)	(29,358)
Other expenses	5	(176,472)	(134,431)
<b>Profit before income tax</b>		<b>89,704</b>	<b>126,147</b>
Income tax expense	6	(24,669)	(36,611)
<b>Profit for the year after tax</b>		<b>65,035</b>	<b>89,536</b>
<b>Other comprehensive income, net of income tax</b>		-	-
<b>Total comprehensive income for the year</b>		<b>65,035</b>	<b>89,536</b>
<b>Earnings per share</b>			
From continuing and discontinued operations:			
Basic earnings per share (cents)		10.32	14.21

The accompanying notes form part of these financial statements.

# Financial statements (continued)

## Statement of Financial Position as at 30 June 2017

	Notes	2017 \$	2016 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	8	447,384	427,780
Trade and other receivables	9	157,575	139,894
Current tax receivable	19	4,088	3,611
<b>Total current assets</b>		<b>609,047</b>	<b>571,285</b>
<b>Non current assets</b>			
Property, plant and equipment	10	245,227	262,457
Deferred tax assets	19	18,486	16,124
Intangible assets	11	46,037	8,705
<b>Total non current assets</b>		<b>309,750</b>	<b>287,286</b>
<b>Total assets</b>		<b>918,797</b>	<b>858,571</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	12	121,684	71,917
Employee benefits	13	53,932	54,008
<b>Total current liabilities</b>		<b>175,616</b>	<b>125,925</b>
<b>Non current liabilities</b>			
Deferred tax liabilities	19	147	220
Employee benefits	13	8,573	-
<b>Total non current liabilities</b>		<b>8,720</b>	<b>220</b>
<b>Total liabilities</b>		<b>184,336</b>	<b>126,145</b>
<b>Net assets</b>		<b>734,461</b>	<b>732,426</b>
<b>Equity</b>			
Issued capital	14	567,010	567,010
Retained earnings		167,451	165,416
		<b>734,461</b>	<b>732,426</b>
<b>Total equity</b>		<b>734,461</b>	<b>732,426</b>

The accompanying notes form part of these financial statements.

# Financial statements (continued)

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## Statement of Changes in Equity for the year ended 30 June 2017

	Note	Ordinary shares \$	Retained earnings \$	Total \$
<b>2017</b>				
Balance at 1 July 2016		567,010	165,416	732,426
Profit or loss after tax		-	65,035	65,035
Dividends paid or provided for	7	-	(63,000)	(63,000)
<b>Balance at 30 June 2017</b>		<b>567,010</b>	<b>167,451</b>	<b>734,461</b>
<b>2016</b>				
Balance at 1 July 2015		567,010	138,880	705,890
Profit or loss after tax		-	89,536	89,536
Dividends paid or provided for	7	-	(63,000)	(63,000)
<b>Balance at 30 June 2016</b>		<b>567,010</b>	<b>165,416</b>	<b>732,426</b>

The accompanying notes form part of these financial statements.



# Financial statements (continued)

## Statement of Cash Flows for the year ended 30 June 2017

	Notes	2017 \$	2016 \$
<b>Cash flows from operating activities:</b>			
Receipts from customers		1,526,182	1,591,191
Payments to suppliers and employees		(1,360,596)	(1,449,510)
Interest received		5,026	5,920
Income taxes paid		(27,582)	(9,504)
<b>Net cash provided by/(used in) operating activities</b>	<b>22</b>	<b>143,030</b>	<b>138,097</b>
<b>Cash flows from investing activities:</b>			
Payment for intangible asset		(57,546)	-
Purchase of property, plant and equipment		(3,690)	(4,104)
<b>Net cash used by investing activities</b>		<b>(61,236)</b>	<b>(4,104)</b>
<b>Cash flows from financing activities:</b>			
Dividends paid		(62,140)	(64,482)
Return of capital		(50)	(100)
<b>Net cash used by financing activities</b>		<b>(62,190)</b>	<b>(64,582)</b>
Net increase/(decrease) in cash and cash equivalents held		19,604	69,411
Cash and cash equivalents at beginning of year		427,780	358,369
<b>Cash and cash equivalents at end of financial year</b>	<b>8</b>	<b>447,384</b>	<b>427,780</b>

The accompanying notes form part of these financial statements.

# Notes to the financial statements

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For year ended 30 June 2017

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 28 September 2017.

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.

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.

# Notes to the financial statements (continued)

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## Note 2. Summary of significant accounting policies (continued)

### **(a) Income tax (continued)**

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).

#### Interest revenue

Interest is recognised using the effective interest method.

#### Rendering of services

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.

#### Other income

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

### **(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.

# Notes to the financial statements (continued)

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## Note 2. Summary of significant accounting policies (continued)

### (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 straight line or deducing balance 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:

<b>Fixed asset class</b>	<b>Depreciation rate</b>
Plant and Equipment	7.5% to 37.5%
Leasehold improvements	2.5% to 20%

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).

#### 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.

# Notes to the financial statements (continued)

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## Note 2. Summary of significant accounting policies (continued)

### **(g) Financial instruments (continued)**

#### Financial assets (continued)

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instruments 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.

#### 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.

# Notes to the financial statements (continued)

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## Note 2. Summary of significant accounting policies (continued)

### **(g) Financial instruments (continued)**

#### 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 assets 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.

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.

# Notes to the financial statements (continued)

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## Note 2. Summary of significant accounting policies (continued)

### (i) Intangible assets

#### Research and development

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**<sup>®</sup> 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**<sup>®</sup> branch on behalf of Bendigo and Adelaide Bank Limited, however all transactions with customers conducted through the **Community Bank**<sup>®</sup> 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**<sup>®</sup> 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**<sup>®</sup> 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.



# Notes to the financial statements (continued)

## Note 2. Summary of significant accounting policies (continued)

### (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 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.
AASB 15	1 January 2018	The standard replaces AASB 118 Revenue and AASB 111 Construction Contracts. It establishes principles for reporting information about the nature, amount and timing and uncertainty of revenue and cashflows from an entity's contracts with customers.	There is no expected impact on the company
AASB 16	1 January 2019	The standard addresses this issue bringing all leases onto the balance sheet of leases, thereby increasing the transparency surrounding such arrangements and making the lessee's balance sheet better reflect the economics of its transactions.	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.

# Notes to the financial statements (continued)

## Note 3. Critical accounting estimates and judgments (continued)

### 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.

### 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.

2017	2016
\$	\$

## Note 4. Revenue and other income

### **Revenue from continuing operations**

	2017	2016
	\$	\$
Sales revenue		
Provision of services	1,261,506	1,146,502
Upfront Product Commissions	143,681	256,341
Fee Income	99,097	97,131
Market Development Fund	10,000	50,000
Products/services Commission	19,195	17,196
	<b>1,533,479</b>	<b>1,567,170</b>

## Notes to the financial statements (continued)

	2017 \$	2016 \$
Note 4. Revenue and other income (continued)		
Finance income		
other interest received	4,759	6,114
<b>Finance income</b>	<b>4,759</b>	<b>6,114</b>
<b>Total revenue</b>	<b>1,538,238</b>	<b>1,573,284</b>

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

Other income	9,416	26,211
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### 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	645,634	649,501
Depreciation and amortisation expense	41,133	39,304
Impairment of receivables:		
Bad debts	540	3,923
<b>Total impairment of receivables</b>	<b>540</b>	<b>3,923</b>

### Note 6. Income tax expense

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

Current tax expense		
Local income tax – current period	27,104	38,063
Deferred tax expense		
Origination and reversal of temporary differences	(2,435)	(1,452)
<b>Total income tax expense</b>	<b>24,669</b>	<b>36,611</b>

**(b) Reconciliation of income tax to accounting profit:**

Prima facie tax payable on profit from ordinary activities before income tax at 27.5% (2016: 28.5%)	24,669	35,953
Add:		
Tax effect of:		
non deductible depreciation and amortisation	-	658
<b>Income tax expense</b>	<b>24,669</b>	<b>36,611</b>

## Notes to the financial statements (continued)

	2017 \$	2016 \$
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### Note 7. Dividends

#### a. The following dividends were declared and paid:

Final franked ordinary dividend of 10 cents (2016: 10) cents per share	63,000	63,000
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Franked dividends declared or paid during the year were franked at the tax rate of 27.5%.

#### Franking account

The franking credits available for subsequent financial years at a tax rate of 27.5%	75,634	75,053
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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.

	2017 \$	2016 \$
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### Note 8. Cash and cash equivalents

Cash at bank and in hand	113,300	83,167
Short term bank deposits	334,084	344,613
	<b>447,384</b>	<b>427,780</b>

### Note 9. Trade and other receivables

#### Current

Trade receivables	149,783	133,069
	<b>149,783</b>	<b>133,069</b>
Prepayments	7,588	6,354
Other receivables	204	471
<b>Total current trade and other receivables</b>	<b>157,575</b>	<b>139,894</b>

### Note 10. Property, plant and equipment

#### Plant and equipment

Plant and equipment		
At cost	76,511	72,821
Accumulated depreciation	(64,932)	(63,109)
<b>Total plant and equipment</b>	<b>11,579</b>	<b>9,712</b>

## Notes to the financial statements (continued)

	2017 \$	2016 \$
Note 10. Property, plant and equipment (continued)		
Improvements		
At cost	502,236	502,236
Accumulated depreciation	(268,588)	(249,491)
Total improvements	233,648	252,745
<b>Total property, plant and equipment</b>	<b>245,227</b>	<b>262,457</b>

### (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:

	Plant and Equipment \$	Improvements \$	Total \$
<b>Year ended 30 June 2017</b>			
Balance at the beginning of year	9,712	252,745	262,457
Additions	3,690	-	3,690
Depreciation expense	(1,823)	(19,097)	(20,920)
<b>Balance at the end of the year</b>	<b>11,579</b>	<b>233,648</b>	<b>245,227</b>
<b>Year ended 30 June 2016</b>			
Balance at the beginning of year	11,353	274,751	286,104
Additions	4,102	-	4,102
Depreciation expense	(5,743)	(22,006)	(27,749)
<b>Balance at the end of the year</b>	<b>9,712</b>	<b>252,745</b>	<b>262,457</b>

	2017 \$	2016 \$
Note 11. Intangible assets		
Development costs		
Cost	720	720
<b>Accumulated amortisation and impairment</b>	<b>(720)</b>	<b>(720)</b>
Licenses and franchises		
Cost	57,546	57,768
Accumulated amortisation and impairment	(11,509)	(49,063)
<b>Net carrying value</b>	<b>46,037</b>	<b>8,705</b>

## Notes to the financial statements (continued)

	2017 \$	2016 \$
Note 11. Intangible assets (continued)		
Other intangible assets		
Cost	19,758	19,758
Accumulated amortisation and impairment	(19,758)	(19,758)
<b>Total Intangibles</b>	<b>46,037</b>	<b>8,705</b>

### (a) Movements in carrying amounts of intangible assets

	Licenses and franchises \$	Total \$
<b>Year ended 30 June 2017</b>		
Balance at the beginning of the year	8,705	8,705
Additions	57,545	57,545
Amortisation	(20,213)	(20,213)
<b>Closing value at 30 June 2017</b>	<b>46,037</b>	<b>46,037</b>

	2017 \$	2016 \$
Note 12. Trade and other payables		
<b>Current</b>		
Unsecured liabilities		
Trade payables	85,930	35,489
Other payables	25,501	27,035
	<b>111,431</b>	<b>62,524</b>
Secured Liabilities		
Dividend payable	10,253	9,393
	<b>10,253</b>	<b>9,393</b>
	<b>121,684</b>	<b>71,917</b>

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

## Notes to the financial statements (continued)

	2017 \$	2016 \$
<b>Note 13. Employee benefits</b>		
<b>Current liabilities</b>		
Long service leave	19,027	26,249
Provision for employee benefits	34,905	27,759
	<b>53,932</b>	<b>54,008</b>
<b>Non current liabilities</b>		
Long service leave	8,573	-
	<b>8,573</b>	-

## Note 14. Issued capital

630,000 (2016: 630,000) Ordinary shares @ 90 cents	567,010	567,010
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## Note 15. Capital and leasing commitments

### (a) Operating Leases

Minimum lease payments under non cancelable operating leases:		
not later than one year	94,856	92,109
between one year and five years	130,426	214,921
	<b>225,282</b>	<b>307,030</b>

Operating leases 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	9,800	9,600
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## Note 17. Related parties

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

All Directors of the company are on a voluntary basis, therefore no remuneration 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 28 September 2017 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.



## Notes to the financial statements (continued)

	2017 \$	2016 \$
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### Note 19. Tax assets and liabilities

Current tax	4,088	3,611
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#### Recognised deferred tax assets and liabilities

<b>Deferred tax assets</b>	<b>18,486</b>	<b>16,124</b>
<b>Deferred tax liabilities</b>	<b>147</b>	<b>220</b>

	Opening Balance \$	Charged to Income \$	Closing Balance \$
<b>Deferred tax assets</b>			
Provisions employee benefits	14,643	1,481	16,124
<b>Balance at 30 June 2016</b>	<b>14,643</b>	<b>1,481</b>	<b>16,124</b>
Provisions employee benefits	16,124	2,362	18,486
<b>Balance at 30 June 2017</b>	<b>16,124</b>	<b>2,362</b>	<b>18,486</b>
<b>Deferred tax liability</b>			
Other	190	30	220
<b>Balance at 30 June 2016</b>	<b>190</b>	<b>30</b>	<b>220</b>
Other	220	(73)	147
<b>Balance at 30 June 2017</b>	<b>220</b>	<b>(73)</b>	<b>147</b>

### 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		Non-interest bearing	
	2017 %	2016 %	2017 \$	2016 \$	2017 \$	2016 \$
<b>Financial assets:</b>						
Cash and cash equivalents	0.01	0.01	165,700	93,803	-	-
Short term deposits	2.65	2.65	281,684	333,977	-	-
Receivables	-	-	-	-	157,575	139,893
<b>Total financial assets</b>			<b>447,384</b>	<b>427,780</b>	<b>157,575</b>	<b>139,893</b>

# Notes to the financial statements (continued)

## Note 20. Financial risk management (continued)

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

	Weighted average effective interest rate		Floating interest rate		Non-interest bearing	
	2017 %	2016 %	2017 \$	2016 \$	2017 \$	2016 \$
<b>Financial liabilities:</b>						
Trade and sundry payables	-	-	-	-	119,324	63,351
<b>Total financial liabilities</b>	-	-	-	-	<b>119,324</b>	<b>63,351</b>

	2017 \$	Total 2016 \$
<b>Financial assets:</b>		
Cash and cash equivalents	165,700	93,803
Short term deposits	281,684	333,977
Receivables	157,575	139,893
<b>Total financial assets</b>	<b>604,959</b>	<b>567,673</b>
<b>Financial liabilities:</b>		
Trade and sundry payables	119,324	63,351
<b>Total financial liabilities</b>	<b>119,324</b>	<b>63,351</b>

#### 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
2017	6,504	(3,252)	6,504	(3,252)
2016	8,954	(4,476)	8,954	(4,476)

# Notes to the financial statements (continued)

## Note 20. Financial risk management (continued)

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

#### Sensitivity analysis (continued)

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 2016.

## Note 21. Contingencies

In the opinion of the Directors, the company did not have any contingencies at 30 June 2017 (30 June 2016:None).

## Note 22. Cash flow information

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

Reconciliation of net income to net cash provided by operating activities:

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Profit for the year	65,035	89,536
Cash flows excluded from profit attributable to operating activities		
Non cash flows in profit:		
amortisation	20,213	11,554
depreciation	20,920	27,751
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
(increase)/decrease in trade and other receivables	(17,682)	(791)
(increase)/decrease in deferred tax receivable	(2,362)	(1,481)
increase/(decrease) in trade and other payables	48,959	(22,260)
increase/(decrease) in income taxes payable	(477)	28,559
increase/(decrease) in deferred taxes payable	(73)	30
increase/(decrease) in employee benefits	8,497	5,199
<b>Cash flow from operations</b>	<b>143,030</b>	<b>138,097</b>

## 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 3172  
Dandenong Victoria 3175

# Directors' declaration

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The Directors of the company declare that:

1. the financial statements and notes for the year ended 30 June 2017 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 28 September 2017

# Independent audit report



Ashfords Audit & Assurance Pty Ltd  
ABN 52 138 965 241

Dandenong: 40-42 Scott St, Dandenong VIC 3175  
Dingley: Suite 12, 14 Garden Blvd, Dingley VIC 3172

PO Box 1462, Clayton South VIC 3169  
(03) 9551 6692  
info@ashfords.com.au

## Dingley Village Financial Services Limited

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

#### Report on the Audit of the Financial Report

##### Opinion

We have audited the financial report of Dingley Village Financial Services Limited (the Company), which comprises the statement of financial position as at 30 June 2017, 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, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company 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 2017 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

##### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

##### Responsibilities of Directors 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 preparing the financial report, the directors are responsible for assessing the the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.



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# Independent audit report (continued)

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Ashfords Audit & Assurance Pty Ltd  
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## Auditor's Responsibilities for the Audit of the Financial Report

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

A handwritten signature in black ink that reads 'Ashfords Audit &amp; Assurance Pty Ltd'.

Ashfords Audit and Assurance Pty Ltd

A handwritten signature in black ink, appearing to be 'Andrew White'.

Andrew White - CA  
Director

Dandenong

28 September 2017



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Dingley Village **Community Bank**<sup>®</sup> 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  
Phone: (03) 9551 6111  
ABN: 27 098 041 493

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