



Annual Report 2015

East Malvern Community Financial
Services Limited

ABN 27 089 542 174

East Malvern **Community Bank**[®] Branch

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Chairman's report

For year ending 30 June 2015

It is again my pleasure to report on another sound year for the company during which we celebrated the 15th anniversary of the branch opening and the cumulative return of over \$3.5 million to the community. They are both important milestones that every shareholder, employee and Directors past and present should feel proud.

The East Malvern **Community Bank**[®] Branch has retained its position as one of the top performers of all **Community Bank**[®] branches which now number more than 310 across Australia and have collectively returned more than \$168 million in community grants and shareholder dividends.

The current year saw a small reduction in branch revenue balanced out by increased cash investment earnings. The investment portfolio continued to increase in value although that change as measured by the mark-to-market was much smaller than the prior year. So while total revenue fell by 6% compared to the prior year, this was due to the smaller increase in the investment portfolio.

Financial metrics were as follows:

\$'000	2015	2014	
Revenue	1,168	1,248	down 6%
Operating profits before sponsorships and tax	389	537	down 28%
Sponsorships and donations	269	329	up 18%
Shareholder dividends (declared/paid)	91	91	no change
Branch footings	150.9 million	150.0 million	up 1%

In the 2014/15 financial year, the branch operating profit was \$80,000 lower than the prior year due to a number of factors such as the 15th anniversary celebrations, increased marketing and higher maintenance spend. The final round of changes to the revenue sharing agreement with Bendigo Bank has now been implemented and as a result branch revenue declined despite a small increase in branch footings. Overall investment income was down \$68,000 from the prior year due to a lower mark-to-market adjustment. The value of the Sponsorship Investment Fund was relatively stable rising by 2% during the year, whereas in the prior year the fund value experienced a well above average gain of 15%. Importantly cash investment earnings continued a solid upward trend adding \$10,000 or 12.5% with increased dividends received, rent and interest income.

Operating results (\$'000)						
	1H15	2H15	2015	1H14	2H14	2014
Community Bank[®] branch						
Branch revenue	531	542	1,073	554	524	1,078
Branch operating profit	133	154	287	184	183	367
Operating margin	25%	28%	27%	33%	35%	34%

Chairman's report (continued)

Operating results (\$'000)						
	1H15	2H15	2015	1H14	2H14	2014
Investment income						
Cash investment earnings	53	37	90	51	29	80
Mark-to-market adjustment	21	(9)	12	76	14	90
Operating profit before sponsorships and tax	207	182	389	311	226	537
Sponsorships			(269)			(329)
Net profit before tax			120			207

Branch operations

Branch footings increased marginally by \$0.9 million over the past 12 months principally due to a \$6 million reduction in large corporate treasury deposits which has overshadowed reasonable growth across most other product lines.

Our business footings by product and total branch revenues are as follows:

Product	2015 \$million	2014 \$million	2013 \$million	2012 \$million	2011 \$million	2010 \$million
Savings accounts	10.2	9.2	8.5	8.2	10.3	8.7
Term deposits/treasury	59.1	68.8	76.0	71.8	56.3	53.8
Statement accounts	30.3	21.8	19.3	17.6	17.2	17.0
Lending	44.3	41.6	41.2	35.9	29.0	21.9
Off balance sheet business	7.0	8.6	7.8	7.0	9.0	7.3
Total	150.9	150.0	152.8	140.5	121.8	108.7
Branch revenue \$'000	1,073	1,078	1,153	1,158	1,148	1,010
Branch revenue margin	0.71%	0.72%	0.75%	0.82%	0.94%	0.93%

Following several years of headwinds in the form of unfavourable changes to the revenue sharing agreement with Bendigo Bank the company's Branch Revenue Margin (Branch Revenue over Business Footings) is now stabilising. These changes are not unique to our company and they have certainly impacted on the level of community sponsorships the company has been able to provide. Going forward growth in branch footings should translate into higher Branch Revenue.

Community sponsorships

The company continued to supply grants to many community groups throughout 2014/15. Our branch offers assistance to several local Primary Schools and Kindergartens in our catchment area principally in funding enduring infrastructure upgrades. There remains a strong commitment to a wide spectrum of local sport across all age groups which is underpinned by our belief in encouraging all sectors of the community to stay involved and active through their life.

Chairman's report (continued)

The company has continued to build a portfolio of higher profile sporting events as a means of more effectively spreading the **Community Bank**[®] message which we seek to directly link to the East Malvern **Community Bank**[®] Branch. These events include the Stonnington Gift where the company has been principal sponsor for the 5th year since its inception and this year the company was main sponsor at the Melbourne Racing Club's inaugural Charity Race Day at Caulfield Race Course.

The Charity Race Day was an entirely new initiative where 21 charities were involved with the objective of returning 80% of profits back to the charities involved. The objective and target beneficiaries was seen as very complimentary to the company's sponsorship objectives allowing us to significantly leverage, more than tenfold, our direct investment and benefit from increased marketing exposure. The 2014 Charity Race Day saw Down Syndrome Victoria receive first prize of \$20,000 followed by Caulfield RSL Welfare Fund with \$7,500 and Pancare Foundation \$2,500. Including the direct prize money over \$200,000 in donations were raised at the 2014 Bendigo Bank East Malvern Charity Race Day with the proceeds of the donations allocated to the 21 charities.

Dividends

Your Board has left dividends unchanged for the year, paying an interim dividend of 11 cents (11 cents 2014) and resolving to pay an unchanged final dividend of 12 cents per share (12 cents 2014) both fully franked, making 23 cents (23 cents 2014) for the year, payable on 31 October 2015 to all shareholders as at 30 September 2015.

As always the Board strives to keep the balance right between all our stakeholders including shareholders while staying true to the spirit of **Community Bank**[®] model. Since the business started through to the current year, the cumulative returns to the community and shareholders are as follows:

Starting with under \$400,000 of capital in 2000, the cumulative returns, both to the community and shareholders, have been substantial reflecting the sustainability of the **Community Bank**[®] model. As previously mentioned the company celebrated the \$3.5 million milestone of cumulative returns as sponsorships and dividends earlier this year, which by year end has now increased to just on \$3.75 million.

Sponsorships and donations	\$2,916,000	70%
Dividends paid to shareholders	\$833,000	20%
Retained earnings	\$442,000	10%
Total	\$4,191,000	100%

Board of Directors


The Board continues to provide unstinting dedication and I acknowledge the time and energy they provide.

The Board comprises of:

Peter W. Norman OAM - Chairman	Michael Arbon
Stuart E. Martyn – Deputy Chairman	Anne Parsonson
Cheryl S. Newsom	James Hayne
Philip C. Carey	

Our branch has and always will provided a high level of quality service. I want to thank those who are currently supporting our **Community Bank**[®] branch with their banking business and look forward to that continuing support in the future.

I welcome any shareholder or local resident who does not currently bank with us to come and experience the great service we deliver at our **Community Bank**[®] branch as its ongoing strength and vitality provide the ability for the company to play an important role in the community.



Peter Norman OAM
Chairman

Sponsorship Committee report

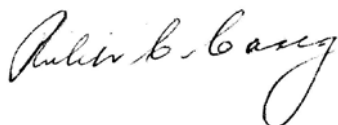
For year ending 30 June 2015

An important part of our business model is based upon being an active and substantial contributor to the health and well being of our community. The extensive array of assistance the company provides played a significant role in our commercial success. Since the branch opened in 2000 our approved sponsorships together with donations and other community contributions have now exceeded \$2.916 million.

This financial year, the company was proud to have supported more than 40 different organisations across the community funding a variety of initiatives with a total value of \$268,950 (\$328,984 (2014)).

Sport	Community
Camberwell Malvern Little Aths.	Central Park Childcare
Caulfield Cricket Club	Cystic Fibrosis Victoria
Chadstone Bowls Club	Duldig Gallery
Chadstone Bowls Club	Garstonpark Girl Guides
Collegians Football Club	Golden Days Radio
De La Salle OC Football Club	Golden Wattle Day Club
East Malvern Tooronga Cricket Club	Love Courage Hope Foundation
East Malvern Football Club	Malvern Artists' Society
East Malvern RSL Anglers Club	Malvern East Combined Probus Clubs
Malvern Cricket Club	Malvern Special Needs P/group
Melbourne Racing Club	Pancare Association
Monash Gryphons Football Club	Phoenix Park Neighbourhood House
Prahran Amateur Football Club	St. John's Church
Prahran Cricket Club	Stonnington Symphony
St.Kevins Old Boys Football Club	Education
Stonnington Gift	Caulfield Park Community School
South Eastern BMX Club	Lloyd Street School
The Local Footy Show	Malvern Primary School
Toorak Park Users Group	Sacre Coeur Parents Association
Victorian Amateur Football Association	St. Roch's Primary School
Victorian Sub District Cricket Association	Country
	Charlton Community Bank [®] Branch
	Edenhope Community Bank [®] Branch

The Directors, our staff and I believe all shareholders should take pride in seeing the contributions our company is making to the communities we serve. We will continue to participate as actively as we can and respond to requests for sponsorship where benefits are available to significant sections of our community.



Phil Carey

Director and Sponsorship Committee member

Director's financial statement

For year ending 30 June 2015

The net profit of the company for the financial year after providing for income tax amounted to \$84,955 (\$146,886 (2014)).

A review of the operations of the company during the financial year and the results of those operations were as follows:

- The principal activity of the company during the financial year was **Community Bank**[®] services operating under a franchise with the Bendigo and Adelaide Bank Limited.
- No significant change in the nature of these activities occurred during the year.
- The company will continue with its policy of providing banking services to the community.
- Dividends paid during the year were, a final dividend for 2014 of 12 cents (fully franked), an interim dividend for 2015 of 11 cents (fully franked), and the Board has recommended a final dividend of 12 cents (fully franked) to be paid on 31 October 2015 to all shareholders as at 30 September 2015.
- There are no matters or circumstances that have arisen since the end of the financial year that have 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 years.
- 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.
- No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is in or has been an Officer or Auditor of the company.

Signed in accordance with a resolution of the Board of Directors 28 September 2015.



Ric Sykes
Company Secretary

Secretary's report

For year ending 30 June 2015

Use of the Company Seal

The Company Seal was not used during the year.

Directors Attendance at Board Meetings

Eleven Board meetings were conducted during the year. The attendance was:

Peter Norman OAM	11
Stuart Martyn	8
Cheryl Newsom	10
Philip Carey	10
Michael Arbon	10
Anne Parsonson	9
James Hayne	7



Ric Sykes
Company Secretary

Financial statements

Balance Sheet as at 30 June 2015

	Note	2015 \$	2014 \$
Current assets			
Cash	17 (a)	71,228	70,224
Accounts receivable	5	95,766	96,039
Investments	6	20,595	45,929
Total current assets		187,589	212,192
Non-current assets			
Investments	7	731,640	719,203
Property, plant and equipment	8	21,250	38,990
Non current receivable	9	90,000	110,000
Intangibles	10	-	2,000
Total non-current assets		842,890	870,193
Total assets		1,030,479	1,082,385
Current liabilities			
Accounts payable	11	-	-
Provisions	12	110,363	151,363
Other	13	66,588	84,342
Total current liabilities		176,951	235,705
Non-current liabilities			
Provisions	14	17,552	4,970
Total non-current liabilities		17,552	4,970
Total liabilities		194,503	240,675
Net assets		835,976	841,710
Shareholder's equity			
Share capital	15	394,300	394,300
Accumulated profits	15	441,676	447,410
Total shareholder's equity		835,976	841,710

The accompanying notes form an integral part of this balance sheet.

Financial statements (continued)

Income Statement for the year ended 30 June 2015

	Note	2015 \$	2014 \$
Margin income	2	905,573	901,518
Fee income		153,341	156,584
Commission income		13,846	20,030
Rent income		25,208	23,040
Interest income		12,435	8,072
Dividends and other investment income		64,073	137,844
Profit/(Loss) on sale of assets		(6,577)	978
Total income		1,167,899	1,248,066
Personnel expenses		388,125	359,134
Building occupancy expenses		117,991	101,982
Depreciation and amortisation		18,163	20,945
Sponsorships and donations		268,950	328,984
Other office expenses		253,132	229,067
Bad debt expense	2	1,228	42
Interest expense	2	-	-
Total expenses		1,047,589	1,040,154
Operating profit		120,310	207,912
Income tax expense	3	35,355	61,026
Operating profit after income tax		84,955	146,886
Dividends declared	4	(90,689)	(90,689)
Accumulated profits at the beginning of the financial year		447,410	391,213
Accumulated profits at the end of the financial year		441,676	447,410
Earnings per share		21.5 cents	37.3 cents

The accompanying notes form an integral part of this income statement

Financial statements (continued)

Statement of Cash Flows for the year ended 30 June 2015

	Note	2015 \$	2014 \$
Cash flows from operating activities			
Receipts from customers		1,181,119	1,183,222
Payments to suppliers, sponsors and employees		(1,181,212)	(1,145,686)
Dividends and other investment income		52,370	47,614
Interest received		12,435	8,072
Rent received		25,208	23,040
Income tax paid		(35,313)	(18,949)
Net operating cash flows	17 (b)	54,607	97,313
Cash flows from investing activities			
Proceeds from sale of motor vehicle		20,000	10,318
Fixed assets (acquired) / disposed		10,478	(35,478)
Net (investment) / disposal in sponsorship fund (ASX listed securities)		(734)	(4,236)
Redemption of term deposits		25,334	18,043
Repayment of loans to Sponsorship groups		(20,000)	(5,000)
Net investing cash flows		35,078	(16,353)
Cash flows from financing activity			
Payment of dividends on ordinary shares		(90,689)	(90,689)
Net investing cash flows		(90,689)	(90,689)
Net increase/(decrease) in cash held		1,004	(9,729)
Cash at the beginning of the financial year		70,224	79,953
Cash at the end of the financial year	17 (a)	71,228	70,224

The accompanying notes form an integral part of this statement of cash flows

Financial statements (continued)

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

	Issued capital \$	Retained earnings \$	Total \$
At 30 June 2013	394,300	391,213	785,513
Profit for the year		146,886	146,886
Dividends declared		(90,689)	(90,689)
At 30 June 2014	394,300	447,410	841,710
Profit for the year		84,955	84,955
Dividends declared		(90,689)	(90,689)
At 30 June 2015	394,300	441,676	835,976

The accompanying notes form part of these financial statements.

Notes to the financial statements

For year ended 30 June 2015

Note 1. Statement of significant accounting policies

The financial report is a general purpose financial report that has been prepared in accordance with the requirements of the Corporations Law, which includes applicable Accounting Standards. Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board have also been complied with. The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets.

Cost is based on the fair values of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report.

Income tax

The company adopts the liability method of tax effect accounting whereby the income tax expense is based on the operating profit adjusted for any permanent differences.

Timing differences which arise due to the different accounting periods in which items of revenue and expense are included in the determination of accounting profit and taxable income, are brought to account as either provision for deferred income tax or as a future income tax benefit at the rate of income tax applicable to the period in which the benefit will be received or the liability will become payable.

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond any reasonable doubt. Future income tax benefits in relation to tax losses are not brought to account unless there is virtual certainty of realisation of the benefit.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Property, plant and equipment

Property, plant and equipment are carried at cost or at independent or Director's valuation, less where applicable any accumulated depreciation or amortisation. The carrying amount of property, plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of expected net cash flows which will be received from the assets employment and subsequent disposal.

The depreciable amount of all fixed assets including building and capitalised leased assets, but excluding freehold land, are depreciated on straight line basis over the estimated useful lives to the entity commencing from the time the asset is held ready for use. Properties held for investment purposes are not subject to a depreciation charge. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or estimated useful lives of the improvements.

Intangibles

Franchise fees are amortised over the useful life, being a period of 5 years.

Notes to the financial statements (continued)

Note 1. Statement of significant accounting policies (continued)

Employee entitlements

Provision is made for the company's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at their nominal amount. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those entitlements.

Contributions are made by the company to an employee superannuation fund and are charged as expenses when incurred.

Revenue

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. Revenue is recognised net of the amount of goods and services tax.

Trade and other payables

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for the goods and services received.

Financial instruments included in equity

Ordinary share capital is recorded at the value of the consideration received. The costs of issuing shares are charged against the share capital. Ordinary share capital bears no special terms or conditions affecting income or capital entitlements of the shareholders.

Financial instruments included in liabilities

Borrowings are recorded at the amount received on advance from the lender.

Financial instruments included in assets

Trade debtors are initially recorded at the amount of contracted sale proceeds.

Provision for doubtful debts are recognised to the extent that recovery of the outstanding receivable balance is considered less than likely. Any provision established is based on a review of all outstanding amounts at balance date. A specific provision is maintained for identified doubtful debts, and a general provision is maintained in respect of receivables which are doubtful of recovery but which have not been specifically identified.

Bank deposits and short term bank bill investments are carried at cost and interest revenue is recognised on an effective yield basis.

Statement of compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standard ('AIFRS'). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards ('IFRS').

Notes to the financial statements (continued)

		2015 \$	2014 \$
Note 2. Profit and loss items			
Margin income	2	905,573	901,518
Fee income		153,341	156,584
Commission income		13,846	20,030
Rent income		25,208	23,040
Interest income		12,435	8,072
Dividends and other investment income		64,073	137,844
Profit/(loss) on sale of assets		(6,577)	978
Total income		1,167,899	1,248,066

Operating result is after charging the following expenses:

Depreciation:

Depreciation of :

– Fixtures and fittings	10,829	11,449
– Motor vehicles	5,334	7,496

Amortisation of

– Establishment fees	2,000	2,000
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Total depreciation and amortisation	18,163	20,945
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Bad debt expense	1,228	42
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Interest expense	-	-
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Other operating expense items:

Provision for employee entitlements	(17,210)	(4,418)
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Operating lease rentals	90,320	87,061
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Note 3. Income tax

Income tax expense

The difference between the income tax benefit in the financial statements and the prima facie income tax benefit is reconciled as follows:

Operating profit	120,310	207,912
Prima facie tax expense	36,093	62,374
Tax effect of permanent and other differences:	(738)	(1,348)
Total income tax expense attributable to operating profit	35,355	61,026

The value of franking credits as at 30 June 2015 was \$280,223 (\$283,576 (2014)).

Notes to the financial statements (continued)

	2015 \$	2014 \$
Note 4. Dividends paid and payable		
Dividends paid		
Fully franked interim dividend (11 cents per share)	43,373	43,373
Dividends proposed		
Fully franked final dividend (12 cents per share)	47,316	47,316
Total dividends paid and payable	90,689	90,689
Note 5. Accounts receivable (current)		
Accounts receivable	90,966	94,419
Sundry receivables	4,800	1,620
Provision for doubtful debts	-	-
Total accounts receivable (current)	95,766	96,039
Note 6. Investments (current)		
Term deposits	20,595	45,929
Total investments (current)	20,595	45,929
Note 7. Investments (non-current)		
Sponsorship Fund (ASX listed securities) at cost	608,329	607,595
Market value adjustment	123,311	111,608
Total investments (non-current)	731,640	719,203
Note 8. Property, plant and equipment		
Furniture and fittings at cost	54,070	54,070
Less accumulated depreciation	(54,070)	(43,241)
Total fixtures and fittings, net	-	10,829
Motor vehicles at cost	25,000	35,478
Less accumulated depreciation	(3,750)	(7,317)
Total motor vehicles, net	21,250	28,161
Total property, plant and equipment, net	21,250	38,990

Notes to the financial statements (continued)

	2015 \$	2014 \$
Note 9. Non current receivables		
Loan to Edenhope Community Bank [®] Branch	5,000	10,000
Loan to Toorak Park Users Group	70,000	80,000
St Kevins Old Boys Football Club	15,000	20,000
Total non current receivables	90,000	110,000

Note 10. Intangibles

Franchise fee at cost	70,000	70,000
Training fee at cost	50,000	50,000
Total establishment fees at cost	120,000	120,000
Less accumulated depreciation	(120,000)	(118,000)
Total establishment fees, net	-	2,000
Total intangibles, net	-	2,000

Note 11. Accounts payable (current)

Trade creditors – unsecured	-	-
Total accounts payable (current)	-	-

Note 12. Provisions (current)

Employee entitlements	42,752	72,544
Dividends on ordinary shares	48,442	48,442
Income tax	19,169	30,377
Total provisions (current)	110,363	151,363

Note 13. Other (current)

Net GST collected/(paid)	30,325	29,242
Accruals	30,013	48,850
Rental bond	6,250	6,250
Total other liabilities (current)	66,588	84,342

Note 14. Provisions (non-current)

Employee entitlements	17,552	4,970
Total provisions (non-current)	17,552	4,970

Notes to the financial statements (continued)

	Note	2015 \$	2014 \$
Note 15. Share capital			
Paid up capital			
Ordinary shares fully paid		394,300	394,300
Movement in shares on issue			
Beginning of the financial year		394,300	394,300
Ordinary shares fully paid		394,300	394,300
Movement in retained earnings			
Accumulated profits at the beginning of the financial year		447,410	391,213
Operating profit after income tax expense		84,955	146,886
Dividends paid / payable	4	(90,689)	(90,689)
Accumulated profits at the end of the financial year		441,676	447,410

Note 16. Commitments

Operating lease expenditure contracted for is payable as follows:

Not later than one year	15,887	68,389
Later than one year but not later than five years	-	-
	15,887	68,389

Note 17. Notes to the Statement of Cash Flows

(a) Reconciliation of cash

For the purpose of the Statement of Cash Flows, cash includes cash on hand and in banks. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Balance Sheet as follows:

Cash at bank	71,228	70,224
	71,228	70,224

(b) Reconciliation of Net Cash Provided by Operating Activities to Operating Profit After Income Tax

Operating profit after income tax	84,955	146,886
Adjustments for non-cash income and expense items:		
Depreciation	16,163	18,945
Amortisation	2,000	2,000
Loss/(Gain) on sale of motor vehicle	6,577	(978)

Notes to the financial statements (continued)

	2015 \$	2014 \$
Note 17. Notes to the Statement of Cash Flows (continued)		
(Increase) / decrease in assets:		
Market value adjustment	(11,703)	(90,230)
Accounts receivable	273	(2,723)
Deferred tax asset	-	-
(Decrease) / increase in liabilities:		
Accounts payable	-	-
Provisions and other liabilities	(43,658)	23,413
Net cash from operating activities	54,607	97,313

Note 18. Directors' remuneration

The number of Directors who were paid, or were due to be paid remuneration (including brokerage, commissions, bonuses, retirement payments and salaries), directly or indirectly from the company or any related corporation, as shown in the following bands, were: 5 (5 in 2014)

The aggregate remuneration of all Directors was:	32,000	32,000
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Note 19. Financial instruments

(a) Interest rate risk exposures

The company is exposed to interest rate risk through primary financial assets and liabilities. The following table summarises interest rate risk for the company, together with effective interest rates as at balance date.

2015	Floating interest rate (a)	Fixed rate 1 year or less	Non-interest bearing	Total	Average interest rate	
					Floating	Fixed
Financial assets						
Cash (i)	71,228			70,224	0.0%	
Term deposits		20,595		20,595		2.5%
Accounts receivables			95,766	95,766		
Non current receivables			90,000	90,000		
	71,228	20,595	185,766	276,585		
Financial liabilities						
Accounts payable			-	-		
	-	-	-	-		

Notes to the financial statements (continued)

Note 19. Financial instruments (continued)

(a) Interest rate risk exposures (continued)

2014	Floating interest rate (a)	Fixed rate 1 year or less	Non-interest bearing	Total	Average interest rate	
					Floating	Fixed
Financial assets						
Cash (i)	70,224			70,224	0.0%	
Term deposits		45,929		45,929		3.3%
Accounts receivables			96,039	96,039		
Non current receivables			110,000	110,000		
	70,224	45,929	206,039	322,192		
Financial liabilities						
Accounts payable			-	-		
	-	-	-	-		

(i) The floating interest rate represents the rate applicable to the instrument at balance date.

(ii) The fixed interest rate represents the contract rates in place at balance date.

	2015 \$	2014 \$
Note 20. Remuneration of Auditors		
The following total remuneration was received, or is due and receivable, by the Auditors of the company in respect of:		
- Auditing the financial statements	2,500	2,500
- Other services	425	-
Total remuneration of Auditors	2,925	2,500

Note 21. Related party disclosures

Transactions undertaken on commercial terms and conditions

P Norman: Bookkeeping fee	3,000	3,000
Frontier Assets Pty Ltd (R Sykes): Accounting fee	6,080	5,000
Total related party payments	9,080	8,000

Note 22. Subsequent events

There have been no events after balance date which are likely to have a significant effect on the operations of the company.

Notes to the financial statements (continued)

Note 23. Segment information

The company operates predominantly in one industry, the financial services industry. All operations are carried out in East Malvern, Victoria.

Note 24. Contingent liabilities

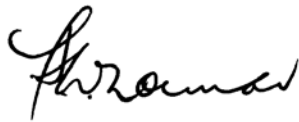
The company is not aware of any contingent liability as at the date of this financial report.

Directors' declaration

The Directors of the company declare that:

1. The financial statements and notes
 - (a) comply with applicable Accounting Standards and the Corporations Law; and
 - (b) give a true and fair view of the financial position at 30 June 2015 and performance for the year ended on that date 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



Peter Norman OAM
Chairman



Ric Sykes
Company Secretary

Dated 28 September 2015

Independent audit report

Independent Audit Report

TO THE MEMBERS OF THE EAST MALVERN COMMUNITY FINANCIAL SERVICES LIMITED.

SCOPE

We have audited the financial report being the Director's Declaration, Profit and Loss Statement, Balance Sheet and Notes to the Financial Statements of East Malvern Community Financial Services Limited for the period 1 July 2014 to 30 June 2015. The company's Directors are responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards, other mandatory professional reporting requirements and statutory requirements, so as to present a view which is consistent with our understanding of the company's financial position and performance as represented by the results of their operations and their cash flows.

The audit opinion expressed in this report has been formed on the above basis.

AUDIT OPINION

In our opinion, the financial report of East Malvern Community Financial Services Limited is in accordance with:

- (a) the Corporations Law including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2015 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards and the Corporations Regulations; and
- (b) other mandatory professional reporting requirements

John Creffield
53 Blackwood Street
Carnegie Vic 3163
Ph: (03) 9569 4237 Fax: (03) 9569 4237



John Creffield
Principal

3/09/2015

East Malvern **Community Bank**[®] Branch
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300 Waverley Road, East Malvern VIC 3145
ABN: 27 089 542 174

Share Registry:
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10-16 Forest Street, Bendigo VIC 3550
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