

# **Fleurieu Community Enterprises Limited**

**Financial Statements**

**For the Year Ended 30 June 2014**

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**For the Year Ended 30 June 2014-10-29**

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**Fleurieu Community Enterprises Limited**  
**Chairman's Report for the Year Ending 30 June 2014**

The past inaugural year as Chairman has afforded me the opportunity to be introduced to many facets of our wider community and I have been impressed with the diversity, talent and commitment of so many volunteers that freely give their time. These many varied organisations and associations continue to strengthen the fabric of our local communities and I have been extremely honoured to meet and observe their activities first hand and see the difference our **Community Bank**<sup>®</sup> branch makes to these volunteers.

Being able to financially assist our community organisations comes from the continued growth of our **Community Bank**<sup>®</sup> branch. Over the past year we have seen excellent growth of the banking, insurance and investment products, along with a solid increase in our customer numbers. This is a credit to our shareholders, Directors and, most importantly, our branch staff. The more we can promote our full service banking operation to the wider population the stronger we will become, and, in return we can assist more organisations. This message can take time to promote, and for others to understand, but it is at the heart of our mission to leverage our collective community and achieve our vision.

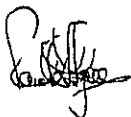
That contribution has continued to increase despite lower margin returns on our customer portfolios. Coupled with the momentum we have in community activities, investments and business growth it gives us a solid platform from which we will see returns for our local shareholders and an increasing community investment budget.

To help that message, and to understand the priorities of our wider community, we will be hosting a Community Forum in September. This will raise our profile and also help us with specific feedback on where we are best to plant our community investments. Assisting, that is our recently launched Ambassador Program and I would encourage shareholders to express an interest in attending and becoming a positive advocate for us at these quarterly events and in the general community.

In accordance with the company constitution, three Directors will be retiring and may nominate for re-election. Any shareholder may nominate for election and nomination forms were issued with the Preliminary Notice of the Annual General Meeting. If you are unable to attend the Annual General Meeting please consider completing the Proxy Form that accompanies the Annual Report and Notice of Annual General Meeting.

I have been pleased to see the new Directors we have welcomed during the year to fill vacancies. Increasing our talent pool and maintaining a diverse group is improving our capabilities and bringing new ideas which will help us grow. Shortly we will be advising of changes to our Share Registrar and adopting more electronic processes for our communication and dividend payments. These will help manage our costs and ensure we have easily accessible records to improve the management of the company.

I look forward to meeting you at the Annual General Meeting and thank you for your ongoing support.



Ron Logan  
Chairman

## MANAGER'S REPORT

For Year Ending 30 June 2014

Welcome to another end of financial year report. The time has flown and we feel that we have risen to the challenging economic times. During the year we have met with many of our customers, both business and consumer, to help the wider community to join with us in our point of difference of being **Bigger than a bank** by our investing into our local community. Those investments now exceed \$100,000. Our partnerships that we have developed and forged over the last 12 months have been very positive for our branch and assist us in supporting our community.

Business activities saw the team achieve a number of goals this financial year with our Footings (deposits and lending) growing at 17% over last year and now exceed \$89 million. Our customer base has grown by 4.1% with 2,645 customers holding in excess of 3,800 accounts. Increasingly, feedback is confirming that in addition to our customer service commitment it is our community involvement, activities and investments that are spreading the word and strongly helping this growth.

Encouragingly, we have also been successful at increasing the number of products held by our customers with insurance being a major success as we become the primary bank for our customers.

As part of our ongoing support to our local community I would like to mention just a few of the current sponsorships that we have assisted this financial year. Groups such as the Aldinga Bay Surf Life Saving Club, Aldinga Football Club, Aldinga Community Centre, Willunga Bowling Club, SAPOL Blue Light, Willunga Community Bus, Willunga 175 which it has been a joy to a part of, and our interactions with all our schools this year has been excellent. Through supporting these local groups it has given me a chance to visit and interact with many of the members of these organisations, and the support that we have been received in return has been amazing.

Finally, I would like to recognise the work of our staff and the ongoing leadership and support of our Board of Directors and our business partner Bendigo and Adelaide Bank. It is through the work of these people that we have become and will continue to be a sustainable growing business.

Please continue to show your support for your **Community Bank**<sup>®</sup> branch and tell your friends and family about our **Community Bank**<sup>®</sup> branch and let them know that we are more than a bank. We genuinely want the opportunity to be able to help each customer meet their financial needs and invest into our community.



Annette Seeliger  
Branch Manager

## Fleurieu Community Enterprises Limited

### Directors' Report

30 June 2014

The directors present their report on Fleurieu Community Enterprises Limited for the financial year ended 30 June 2014.

#### 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:

<b>George Apap JP</b>	
<b>Role</b>	Director & Chairman - resigned 13/01/14
<b>Experience</b>	Elected Member City of Onkaparinga, President of Land Tax and Rate Payers Association of SA, former President Neighbourhood Watch SA of Aldinga Bay, Past Director of Labour Union Retirement Fund, former Union Secretary.
<b>Special responsibilities</b>	Member of Audit, Financial Marketing & Governance; Community Grants Programme, Marketing and Promotions; Community Vision and AGM Organising Sub-committees.
<b>Adam John Lucey</b>	
<b>Role</b>	Director & Vice-Chairman
<b>Experience</b>	Director of multiple companies with interests in commercial property development, project management and construction. Also holds a builder's licence.
<b>Special responsibilities</b>	Chairman of AGM Organising Sub-committee and member of Business Planning, Business Development and Asset Management; Audit, Financial Management & Governance & proxy for Human Resources Sub-committees.
<b>Anthony David Rowley Dutton</b>	
<b>Role</b>	Director & Treasurer - resigned 13/01/14
<b>Experience</b>	Currently owner/operator local accounting and finance practice. Former Finance Director, many years' experience as a Public Accountant and consultant covering most sectors
<b>Special responsibilities</b>	Member of Business Planning, Business Development and Asset Management; Audit, Financial Management & Governance Sub-committees.
<b>Narelle Susan Looker</b>	
<b>Role</b>	Director & Company Secretary
<b>Experience</b>	Booking Officer Aldinga / Sellicks Community Halls and Treasurer of Management Committee Aldinga Community Centre, Treasurer of the Aldinga Bay Residents Association. Former Secretary of: the Community Services Board; the Southern Vales Cancer Council, Celebrate Seniors City of Onkaparinga Committee and South Coast Road Safety Group. Retired Psychiatric Nurse.
<b>Special responsibilities</b>	Records Manager; member of Audit, Financial Management & Governance; Human Resources; Community Vision and AGM Organising Sub-committees.

## Fleurieu Community Enterprises Limited

### Directors' Report

30 June 2014

#### Information on directors continued

Stanley Beck	
Role	Director - resigned 19/08/13
Experience	Past President of Friends of the Libraries Aldinga, former Treasurer of Sellicks Progress Association, President of the former Sellicks Neighbourhood Watch. Former owner/operator of a wholesale/retail electronics and repair business. Past experience as an importer. Retired.
Special responsibilities	Member of Audit, Financial Management & Governance; Community Grants Programme, Marketing and Promotions and AGM Organising Sub-committees.
George Francis Lucey	
Role	Director - resigned 13/01/14
Experience	Currently managing director of a commercial property development and construction company. Over 50 years experience in commercial property development and holds a builder's licence.
Special responsibilities	Business Planning, Business Development and Asset Management Sub-committee.
John Blakiston Martin	
Role	Director - resigned 22/09/13
Experience	Currently freelance management consultant specialising in Change Management, Project Management, Executive Recruitment and Human Resources. Qualified architect, project manager, HRM professional and equities trader Past and Present owner/manager of a series of private and public sector consultancy practices.
Special responsibilities	Member of Business Planning, Business Development and Asset Management; Human Resources and Community Vision Sub-committees.
Peter John Smith	
Role	Director
Experience	Over 20 years of service with Centre Management at the Aldinga Central Shopping Centre, during which time an extensive network of Community and Business contacts has been developed in the area.
Special responsibilities	Audit, Financial Management & Governance and Community Grants Programme, Marketing and Promotions Sub-committee.
Shirley James	
Role	Director
Experience	Past Treasurer of Aldinga Bay Residents Association, Victorian Ceramic Group and the Fourth National Ceramic Conference. Past President, Treasurer and Life member of Southern Vales Ladies Probus. Currently Treasurer, Off the Slate Galley, Willunga.
Special responsibilities	Treasurer's Assitant
Michael Farrell JP	
Role	Director - resigned 23/12/13
Experience	Educator, 30yrs experience in Secondary and Tertiary education. Past President of Rotary Club at McLaren Vale, past Deputy Chairman SDNMM Foundation and Director McLaren Vale Hospital. Formerly a Pilot Officer RAAF Reserves. Justice of the Peace.

## **Fleurieu Community Enterprises Limited**

### **Directors' Report**

**30 June 2014**

#### **Information on directors continued**

**Dianna Thompson**

**Role** Director - appointed 13/01/14, resigned 11/03/14  
**Experience** Formerly a Director of Working Strategy Pty Ltd, COPA (SA) Ltd and Playford Capital, also a business auditor.  
**Special responsibilities** Treasurer

**Christopher Michael West**

**Role** Director  
**Experience** Recently opened the Home Grain Bakery in Aldinga and is helping to re-vitalise the historic township.

**Hazel Ann Wainwright**

**Role** Director  
**Experience** Chairwoman of Aldinga Bay Business and Tourism Association and a representative on the Economic Development Forum of the City of Onkaparinga

**Ronald Leslie Logan**

**Role** Director & Chairman - appointed 26/08/13  
**Experience** Employed previously as a senior executive and Director with HSBC, CBA, Colonial and TSB (UK). Experience includes working in the UK, Australia, China, Vietnam and the Philippines. Now resident in Sellicks Hill and operates an aviation and private investment company.  
**Special responsibilities** Member of Audit, Financial Management and Governance, Business Development and Asset Management, Community Grants Programme, and Human Resources sub-committees.

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 Fleurieu Community Enterprises Limited during the financial year was the operation of a branch of Bendigo Bank, pursuant to a franchise agreement.

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 \$ 53,649 (2013: \$ 38,451).

### **Dividends paid or recommended**

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

- A un-franked dividend of \$ 21,744 was paid during the year.

## **Directors' Report**

**30 June 2014**

### **2. Operating results and review of operations for the year continued**

A review of the operations of the Company during the financial year and the results of those operations show [describe changes in operating results, assets, liabilities etc].

### **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.

#### **Events after the reporting date**

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.

#### **Future developments and results**

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

#### **Environmental issues**

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

The Clean Energy Bill 2012 will have an indirect impact on the Company due to increased costs.



**Fleurieu Community Enterprises Limited**

**Directors' Report**  
**30 June 2014**

**Meetings of directors**

During the financial year, 12 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
George Apap JP	5	5
Adam John Lucey	12	8
Anthony David Rowley Dutton	5	3
Narelle Susan Looker	12	10
Stanley Beck	1	1
George Francis Lucey	5	3
John Blakiston Martin	2	-
Peter John Smith	12	5
Shirley James	12	10
Michael Farrell JP	5	5
Dianne Thompson	4	4
Christopher Michael West	8	7
Hazel Ann Wainwright	8	4
Ronald Leslie Logan	11	11

**Indemnification and insurance of officers and auditors**

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of Fleurieu Community Enterprises Limited.

**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 2014 has been received and can be found on page 6 of the financial report.

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

Director:  .....

Director:  .....

Dated this 28<sup>th</sup> day of October 2014

**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

To the Directors of Fleurieu Community Enterprises Limited:

As lead auditor for the audit of Fleurieu Community Enterprises Limited for the year ended 30 June 2014, I declare that to the best of my knowledge and belief, there have been:

- 1 no contraventions of the independence requirements of the Corporations Act 2001 in relation to the audit; and
- 2 no contraventions of any applicable code of professional conduct in relation to the audit.

  
ACCRU<sup>+</sup> HARRIS ORCHARD

  
**BEN WILLINGTON  
PARTNER**

Signed at Dulwich this 27<sup>th</sup> day of October 2014.

**Fleurieu Community Enterprises Limited**

**Statement of Profit or Loss and Other Comprehensive Income**  
**For the Year Ended 30 June 2014**

	2014	2013
Note	\$	\$
Revenue	2. 599,589	608,923
Employee benefits expense	(303,324)	(311,303)
Depreciation and amortisation expense	(5,138)	(7,787)
Other expenses	(237,478)	(251,374)
Finance costs	-	(8)
<b>Profit before income tax</b>	<b>53,649</b>	<b>38,451</b>
Income tax expense	-	-
<b>Profit from continuing operations</b>	<b>53,649</b>	<b>38,451</b>
<b>Profit for the year</b>	<b>53,649</b>	<b>38,451</b>
<b>Other comprehensive income, net of income tax</b>		
<b>Items that will not be reclassified subsequently to profit or loss</b>		
<b>Items that will be reclassified to profit or loss when specific conditions are met</b>		
<b>Total comprehensive income for the year</b>	<b>53,649</b>	<b>38,451</b>

The accompanying notes form part of these financial statements.

**Fleurieu Community Enterprises Limited**

**Statement of Financial Position**

**30 June 2014**

	2014	2013
Note	\$	\$
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	4 197,440	122,814
<b>TOTAL CURRENT ASSETS</b>	<u>197,440</u>	<u>122,814</u>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	5 161,708	173,982
<b>TOTAL NON-CURRENT ASSETS</b>	<u>161,708</u>	<u>173,982</u>
<b>TOTAL ASSETS</b>	<u>359,148</u>	<u>296,796</u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Trade and other payables	6 14,099	8,889
Short-term provisions	3,469	7,131
<b>TOTAL CURRENT LIABILITIES</b>	<u>17,568</u>	<u>16,020</u>
<b>NON-CURRENT LIABILITIES</b>		
Employee benefits	7 56,365	27,466
<b>TOTAL NON-CURRENT LIABILITIES</b>	<u>56,365</u>	<u>27,466</u>
<b>TOTAL LIABILITIES</b>	<u>73,933</u>	<u>43,486</u>
<b>NET ASSETS</b>	<u>285,215</u>	<u>253,310</u>
<b>EQUITY</b>		
Issued capital	8 724,815	724,815
Retained earnings	(439,600)	(471,505)
<b>TOTAL EQUITY</b>	<u>285,215</u>	<u>253,310</u>
	<u>285,215</u>	<u>253,310</u>

The accompanying notes form part of these financial statements.

**Fleurieu Community Enterprises Limited**

**Statement of Changes in Equity**  
**For the Year Ended 30 June 2014**

**2014**

	Note	Ordinary Shares \$	Retained Earnings \$	Total \$
Balance at 1 July 2013		724,815	(471,505)	253,310
Profit attributable to members of the entity		-	53,649	53,649
Dividends provided for or paid		-	(21,744)	(21,744)
<b>Balance at 30 June 2014</b>		<b>724,815</b>	<b>(439,600)</b>	<b>285,215</b>

**2013**

	Note	Ordinary Shares \$	Retained Earnings \$	Total \$
Balance at 1 July 2012		724,815	(495,458)	229,357
Profit attributable to members of the entity		-	38,451	38,451
Contribution of equity, net of transaction costs		-	-	-
Dividends provided for or paid		-	(14,498)	(14,498)
<b>Balance at 30 June 2013</b>		<b>724,815</b>	<b>(471,505)</b>	<b>253,310</b>

The accompanying notes form part of these financial statements.

**Fleurieu Community Enterprises Limited**

**Statement of Cash Flows**  
**For the Year Ended 30 June 2014**

	2014	2013
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	596,225	608,920
Payments to suppliers and employees	(532,099)	(561,191)
Net cash provided by (used in) operating activities	12 <u>64,126</u>	<u>47,729</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sale of plant and equipment	10,500	-
Net cash used by investing activities	<u>10,500</u>	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Net increase (decrease) in cash and cash equivalents held	74,626	47,729
Cash and cash equivalents at beginning of year	122,814	75,085
Cash and cash equivalents at end of financial year	4 <u>197,440</u>	<u>122,814</u>

The accompanying notes form part of these financial statements.

## Fleurieu Community Enterprises Limited

### Notes to the Financial Statements

For the Year Ended 30 June 2014

Fleurieu Community Enterprises Limited is a for profit Company limited by shares, incorporated and domiciled in Australia.

The functional and presentation currency of Fleurieu Community Enterprises Limited is Australian dollars.

#### 1 Summary of Significant Accounting Policies

##### (a) Basis of Preparation

The directors have prepared the financial statements on the basis that the Company is a non-reporting entity because there are no users dependent on general purpose financial statements. These financial statements are therefore a special purpose financial statements that has been prepared in order to meet the requirements of the *Corporations Act 2001*.

The financial statements have been prepared in accordance with recognition and measurement criteria in the Australian Accounting Standards and the disclosure requirements of AASB 101 Presentation of Financial Statements, AASB 107 Statement of Cash Flows and AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors.

The significant accounting policies disclosed below are those which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes.

##### (b) Comparative Amounts

Comparatives are consistent with prior years, unless otherwise stated.

Where a change in comparatives has also affected the opening retained earnings previously presented in a comparative period, an opening statement of financial position at the earliest date of the comparative period has been presented.

##### (c) Income Tax

The tax expense recognised in the statement of profit or loss and other comprehensive income relates to current income tax expense plus deferred tax expense (being the movement in deferred tax assets and liabilities and unused tax losses during the year).

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (tax 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 tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is provided on temporary differences which are determined by comparing the carrying amounts of tax bases of assets and liabilities to the carrying amounts in the consolidated financial statements.

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

**Notes to the Financial Statements**  
**For the Year Ended 30 June 2014**

**1 Summary of Significant Accounting Policies continued**

**(c) Income Tax continued**

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 consequences relating to a non-monetary asset carried at fair value are determined using the assumption that the carrying amount of the asset will be recovered through sale.

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

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

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

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

**(d) 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 entity 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).

**Rendering of services**

Revenue in relation to rendering of services is recognised depends on whether the outcome of the services can be measured reliably. If this is the case 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 measured then revenue is recognised to the extent of expenses recognised that are recoverable.



## Fleurieu Community Enterprises Limited

### Notes to the Financial Statements

For the Year Ended 30 June 2014

#### 1 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 payables 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

###### Plant and equipment

Plant and equipment are measured using the cost model.

###### Depreciation

The depreciable amount of all property, plant and equipment, except for freehold land is depreciated on a straight-line method from the date that management determine that the asset is available for use.

Assets held under a finance lease and leasehold improvements are depreciated over the shorter of the term of the lease and the assets useful life.

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

Fixed asset class	Depreciation rate
Plant & Equipment Leased to External Parties	20%
Motor Vehicles	25%
Improvements	2.5%

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.

When an asset is disposed, the gain or loss is calculated by comparing proceeds received with its carrying amount and is taken to the profit or loss.

##### (g) Financial Instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that 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:

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2014**

### **1 Summary of Significant Accounting Policies continued**

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

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

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

#### **Loans and receivables**

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

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

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

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

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

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

For trade receivables, impairment provisions are recorded in a separate allowance account with the loss being recognised in profit or loss. When confirmation has been received that the amount is not collectable, the gross carrying value of the asset is written off against the associated impairment provision.

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

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

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2014**

### **1 Summary of Significant Accounting Policies continued**

- 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.

#### **Available-for-sale financial assets**

Available-for-sale financial assets are non-derivative financial assets that do not qualify for inclusion in any of the other categories of financial assets.

Purchases and sales of available-for-sale investments are recognised on settlement date.

All other available-for-sale financial assets are measured at fair value, with subsequent changes in value recognised in other comprehensive income.

Gains and losses arising from financial instruments classified as available-for-sale are only recognised in profit or loss when they are sold or when the investment is impaired.

In the case of impairment or sale, any gain or loss previously recognised in equity is transferred to the profit or loss.

Losses recognised in prior period consolidated income statements resulting from the impairment of debt securities are reversed through the income statement, if the subsequent increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

#### **Financial liabilities**

Financial liabilities are recognised when the Company becomes a party to the contractual agreements of the instrument. All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included in the income statement line items "finance costs" or "finance income".

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.

**Notes to the Financial Statements**  
**For the Year Ended 30 June 2014**

**1 Summary of Significant Accounting Policies continued**

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

*Impairment of financial assets*

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

**Financial assets at amortised cost**

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

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

**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 assets 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.

**(i) 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

## Fleurieu Community Enterprises Limited

### Notes to the Financial Statements

For the Year Ended 30 June 2014

#### 1 Summary of Significant Accounting Policies continued

(i) **Cash and cash equivalents continued**  
presented within current liabilities on the statement of financial position.

(j) **Employee benefits**

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Employee benefits expected to be settled more than twelve months after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. Cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

(k) **Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options which vest immediately are recognised as a deduction from equity, net of any tax effects.

Preference share capital is classified as equity if it is non-redeemable or redeemable only at the company's option, and any dividends are discretionary.

Preference share capital is classified as financial liability if it is redeemable on a specific date or at the option of the shareholders, or if dividend payments are not discretionary.

#### 2 Revenue and Other Income

##### Revenue from continuing operations

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

	2014	2013
	\$	\$
Sales revenue		
- provision of services	595,723	608,850
	<u>595,723</u>	<u>608,850</u>
Finance income		
- other interest received	729	73
	<u>729</u>	<u>73</u>
Finance income	<u>729</u>	<u>73</u>
Other revenue		
- profit on sale of motor car	3,137	-
	<u>3,866</u>	<u>73</u>
<b>Total Revenue</b>	<u><b>599,589</b></u>	<u><b>608,923</b></u>

**Fleurieu Community Enterprises Limited**

**Notes to the Financial Statements**

**For the Year Ended 30 June 2014**

**3 Result for the Year**

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

	2014	2013
	\$	\$
<b>Finance Costs</b>		
<b>Financial liabilities measured at amortised cost:</b>		
- Other finance costs	-	8
<b>Total finance costs</b>	<u>-</u>	<u>8</u>

The result for the year includes the following specific expenses:

	2014	2013
	\$	\$
<b>Other expenses:</b>		
<b>Impairment of receivables:</b>		
- Bad debts	-	1,703
<b>Total impairment of receivables</b>	<u>-</u>	<u>1,703</u>

**4 Cash and cash equivalents**

	2014	2013
	\$	\$
Cash at bank and in hand	197,440	122,814

**Reconciliation of cash**

Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

	2014	2013
	\$	\$
Cash and cash equivalents	197,440	122,814

**5 Property, plant and equipment**

**PLANT AND EQUIPMENT**

Plant and equipment

At cost

Accumulated depreciation

Total plant and equipment

	2014	2013
	\$	\$
At cost	3,541	3,541
Accumulated depreciation	(366)	(366)
<b>Total plant and equipment</b>	<u>3,175</u>	<u>3,175</u>

**Fleurieu Community Enterprises Limited**

**Notes to the Financial Statements**

For the Year Ended 30 June 2014

<b>5</b>	<b>Property, plant and equipment continued</b>		
	Motor vehicles		
	At cost	-	31,700
	Accumulated depreciation	-	(24,337)
	Total motor vehicles	-	<u>7,363</u>
	Improvements		
	At cost	198,423	198,423
	Accumulated depreciation	(39,890)	(34,979)
	Total improvements	<u>158,533</u>	<u>163,444</u>
	Total plant and equipment	<u>161,708</u>	<u>173,982</u>
	<b>Total property, plant and equipment</b>	<u>161,708</u>	<u>173,982</u>

<b>6</b>	<b>Trade and other payables</b>		
		2014	2013
		\$	\$
	<b>CURRENT</b>		
	Unsecured liabilities		
	Sundry payables and accrued expenses	14,099	8,889
		<u>14,099</u>	<u>8,889</u>
		<u>14,099</u>	<u>8,889</u>

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

<b>7</b>	<b>Employee Benefits</b>		
		2014	2013
		\$	\$
	Non-current liabilities		
	Long service leave	-	-
	Defined benefit obligations		
	- Present value of obligations	56,365	27,466
		<u>56,365</u>	<u>27,466</u>

<b>8</b>	<b>Issued Capital</b>		
		2014	2013
		\$	\$
	724,815 (2013: 724,815) Ordinary shares	724,815	724,815

**(a) Ordinary shares**

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company. On a show of hands at meetings of the Company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote.

**Fleurieu Community Enterprises Limited**

**Notes to the Financial Statements**

**For the Year Ended 30 June 2014**

**8 Issued Capital continued**

**(a) Ordinary shares continued**

The Company does not have authorised capital or par value in respect of its shares.

**9 Dividends**

	2014	2013
	\$	\$
a. The following dividends were declared and paid:		
Final un-franked ordinary dividend of 3 cents per share	21,744	14,498

The proposed final dividend for 2014 was declared after the end of the reporting period and therefore has not been provided for in the financial statements. There are no income tax consequences arising from this dividend at 30 June 2014.

**10 Remuneration of Auditors**

	2014	2013
	\$	\$
Remuneration of the auditor of the Company, Accru Harris Orchard, for:		
- auditing or reviewing the financial statements	6,400	6,300

**11 Contingencies**

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2014 (30 June 2013: None).



## Fleurieu Community Enterprises Limited

### Notes to the Financial Statements

For the Year Ended 30 June 2014

#### 12 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:

	2014	2013
	\$	\$
Profit for the year	53,649	38,451
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	5,138	7,787
- dividends paid	(21,744)	(14,498)
Other non-cash adjustments	-	(100)
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
- (increase)/decrease in trade and other receivables	6,732	(4,104)
- increase/(decrease) in employee benefits	20,351	20,193
Cashflow from operations	<u>64,126</u>	<u>47,729</u>

#### 13 Company Details

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

Fleurieu Community Enterprises Limited  
Shop 32, Aldinga Central Shopping Centre  
1 Pridham Boulevard  
Aldinga Beach SA 5173

## **Directors' Declaration**

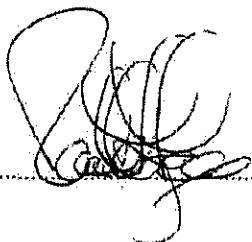
The directors have determined that the Company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The directors of the Company declare that:


1. The financial statements and notes, as set out on pages 8 to 21, are in accordance with the *Corporations Act 2001* and:
  - (a) comply with Accounting Standards as stated in Note 1; and
  - (b) give a true and fair view of the Company's financial position as at 30 June 2014 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
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.

Director .....



Director .....



Dated

28 October 2014

### Report on the Financial Report

We have audited the accompanying financial report of Fleurieu Community Enterprises Limited. This comprises the balance sheet as at 30 June 2014, the income statement, cash flow statement, statement of changes of equity for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

### Directors' Responsibility for the Financial Report

The directors of Fleurieu Community Enterprises Limited are responsible for the preparation and fair presentation of the financial report and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Corporations Act 2001 and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

### Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Fleurieu Community Enterprises Limited on 28 October 2014, would be in the same terms if given to the directors as at the time of the auditor's report.

### Opinion

In our opinion the financial report of Fleurieu Community Enterprises Limited is in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1, and the Corporations Regulations 2001.

### Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the financial report of Fleurieu Community Enterprises Limited for the year ended 30 June 2014 included on its website. The Company's directors are responsible for the integrity of Fleurieu Community Enterprises Limited's website. We have not been engaged to report on the integrity of the website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.

**Material Uncertainty Regarding Continuation as a Going Concern**

Without qualifying our opinion we draw attention to Company's accumulated net losses. Notwithstanding this year's profit of \$53,649, the Company has accumulated losses of \$439,600 as at 30<sup>th</sup> June 2014.

ACCRU<sup>+</sup> HARRIS ORCHARD *Accru Harris Orchard*



**BEN WILLINGTON  
PARTNER**

Signed at Dulwich this 29<sup>th</sup> day of October 2014.