

# **Fleurieu**

## **Community Enterprises Limited**

### **Financial Statements**

#### **for the half-year ended**

#### **31 December 2014**

**Fleurieu Community Enterprises Limited**  
**ABN 72 116 550 157**  
**Directors' Report**

Your directors submit the financial report of the company for the half-year ended 31 December 2014.

**Directors**

The names of directors who held office during the half year and until the date of this report are as below:

Ron Leslie Logan

Karyn Joy Thomas (*Appointed 29 September 2014*)

Eva Szollosi (*Appointed 29 September 2014*)

Shirley James

Adam John Lucey

Peter John Smith

Hazel Ann Wainwright

Christopher Michael West

Narelle Susan Looker (*Resigned 31 December 2014*)

**Principal Activities**

The principal activity of the company during the financial period was facilitating **Community Bank®** serv management rights to operate a franchised branch of Bendigo and Adelaide Bank Limited.

**Review and Results of Operations**

Operations have continued to perform in line with expectations. The net profit of the company for the financial p the provision of income tax was: \$25,457 [2013: \$51,675].

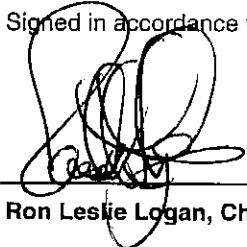
**Matters Subsequent to the End of the Reporting Period**

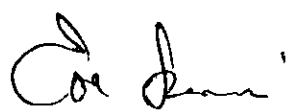
There are no matters or circumstances that have arisen since the end of the half year reporting period significantly affected or may significantly affect the operations of the company, the results of those operations ( of affairs of the company.

**Auditors' Independence Declaration**

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 200* on page 2.

Signed in accordance with a resolution of the directors at Aldinga Beach, South Australia on 9 March 2015.

  
\_\_\_\_\_  
Ron Leslie Logan, Chairman

  
TREASURER  
DIRECTOR



**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 review of the financial report of Fleurieu Community Enterprises Limited for the half-year ended 31 December 2014, I declare that to the best of my knowledge and belief, there have been:

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



**ACCRU<sup>+</sup> HARRIS ORCHARD**



**BEN WILLINGTON  
PARTNER**

Signed at Dulwich this *6<sup>th</sup>* day of March 2015.

**Fleurieu Community Enterprises Limited**  
**ABN 72 116 550 157**  
**Statement of Profit or Loss and Other Comprehensive Income**  
**for the half-year ended 31 December 2014**

	<b>Dec 2014</b>	<b>Dec 2013</b>
	<b>\$</b>	<b>\$</b>
Revenue from ordinary activities	314,859	305,786
Employee benefits expense	(158,565)	(146,468)
Charitable donations, sponsorship, advertising and promotion	(27,203)	(13,122)
Occupancy and associated costs	(49,093)	(44,830)
Systems costs	(9,496)	(9,954)
Depreciation and amortisation expense	(6,467)	(9,788)
General administration expenses	(38,578)	(29,949)
	<hr/>	<hr/>
<b>Profit before income tax expense</b>	<b>25,457</b>	<b>51,675</b>
Income tax expense	-	-
	<hr/>	<hr/>
<b>Profit after income tax expense</b>	<b>25,457</b>	<b>51,675</b>
	<hr/>	<hr/>
<b>Total comprehensive income for the year attributable to members</b>	<b>25,457</b>	<b>51,675</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>Earnings per Share</b>	<b>¢</b>	<b>¢</b>
Basic from profit for the period:	3.51	7.13

*The accompanying notes form part of these financial statements.*



Fleurieu Community Enterprises Limited  
 ABN 72 116 550 157  
 Balance Sheet  
 as at 31 December 2014

	31-Dec 2014 \$	30-Jun 2014 \$
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash assets	135,197	146,079
Trade and other receivables	52,215	51,361
<b>Total Current Assets</b>	<u><b>187,412</b></u>	<u><b>197,440</b></u>
<b>Non-Current Assets</b>		
Property, plant and equipment	159,028	161,708
Intangible assets	10,098	-
<b>Total Non-Current Assets</b>	<u><b>169,126</b></u>	<u><b>161,708</b></u>
<b>Total Assets</b>	<u><b>356,538</b></u>	<u><b>359,148</b></u>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Trade and other payables	42,014	14,099
Provisions	21,221	3,469
<b>Total Current Liabilities</b>	<u><b>63,235</b></u>	<u><b>17,568</b></u>
<b>Non-Current Liabilities</b>		
Provisions	11,624	56,365
<b>Total Non-Current Liabilities</b>	<u><b>11,624</b></u>	<u><b>56,365</b></u>
<b>Total Liabilities</b>	<u><b>74,859</b></u>	<u><b>73,933</b></u>
<b>Net Assets</b>	<u><b>281,679</b></u>	<u><b>285,215</b></u>
<b>Equity</b>		
Issued capital	724,815	724,815
Accumulated losses	(443,136)	(439,600)
<b>Total Equity</b>	<u><b>281,679</b></u>	<u><b>285,215</b></u>

*The accompanying notes form part of these financial statements.*



**Fleurieu Community Enterprises Limited**  
**ABN 72 116 550 157**  
**Statement of Changes in Equity**  
**for the half-year ended 31 December 2014**

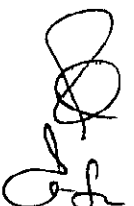
	Issued Capital \$	Accumulated Losses \$	Total Equity \$
<b>Balance at 1 July 2013</b>	724,815	(471,505)	253,310
Total comprehensive income for the year	<u>-</u>	<u>51,675</u>	<u>51,675</u>
	<b>724,815</b>	<b>(419,830)</b>	<b>304,985</b>
<b>Transactions with owners in their capacity as owners:</b>			
Shares issued during period	-	-	-
Costs of issuing shares	-	-	-
Dividends provided for or paid	<u>-</u>	<u>-</u>	<u>-</u>
<b>Balance at 31 December 2013</b>	<b><u>724,815</u></b>	<b><u>(419,830)</u></b>	<b><u>304,985</u></b>
<b>Balance at 1 July 2014</b>	724,815	(439,600)	285,215
Total comprehensive income for the year	<u>-</u>	<u>25,457</u>	<u>25,457</u>
	<b>724,815</b>	<b>(414,143)</b>	<b>310,672</b>
<b>Transactions with owners in their capacity as owners:</b>			
Shares issued during period	-	-	-
Costs of issuing shares	-	-	-
Dividends provided for or paid	<u>-</u>	<u>(28,993)</u>	<u>(28,993)</u>
<b>Balance at 31 December 2014</b>	<b><u>724,815</u></b>	<b><u>(443,136)</u></b>	<b><u>281,679</u></b>

*The accompanying notes form part of these financial statements.*

**Fleurieu Community Enterprises Limited**  
**ABN 72 116 550 157**  
**Statement of Cash Flows**  
**for the half-year ended 31 December 2014**

	<b>Dec 2014</b>	<b>Dec 2013</b>
	<b>\$</b>	<b>\$</b>
<b>Cash Flows From Operating Activities</b>		
Receipts from customers	343,524	336,260
Payments to suppliers and employees	(364,368)	(288,160)
Interest received	1,661	94
<b>Net cash provided by/(used in) operating activities</b>	<u><b>(19,183)</b></u>	<u><b>48,194</b></u>
<b>Cash Flows From Investing Activities</b>		
Payments for intangible assets	(14,067)	(14,067)
<b>Net cash provided by/(used in) investing activities</b>	<u><b>(14,067)</b></u>	<u><b>(14,067)</b></u>
<b>Cash Flows From Financing Activities</b>		
Repayment of borrowings	(28,993)	(21,744)
<b>Net cash provided by/(used in) financing activities</b>	<u><b>(28,993)</b></u>	<u><b>(21,744)</b></u>
<b>Net increase/(decrease) in cash held</b>	(62,243)	12,383
Cash at the beginning of the financial year	146,079	122,814
<b>Cash at the end of the half-year</b>	<u><u><b>83,836</b></u></u>	<u><u><b>135,197</b></u></u>

*The accompanying notes form part of these financial statements.*



**Fleurieu Community Enterprises Limited**  
**ABN 72 116 550 157**  
**Notes to the financial statements**  
**for the half-year ended 31 December 2014**

**Note 1. Summary of Significant Accounting Policies**

Statement of Compliance

The half-year financial statements are a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard *IAS 34: Interim Financial Reporting*.

**a) Basis of preparation**

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standard Boards and the *Corporations Act 2001*. The company is a for-profit entity for the purpose of preparing the

Compliance with IFRS

These financial statements and notes comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Historical cost convention

The half-year financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

*Amendments to Accounting Standards and the new Interpretation that are mandatorily effective for the current reporting period*

The following Australian Accounting Standards, amendments to Australian Accounting Standards and Interpretation have become mandatory for adoption for the financial year commencing on 2

- AASB 1031 - Materiality (2013)
- AASB 2012-3 - Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities
- AASB 2013-3 - Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets
- AASB 2013-4 - Amendments to Australian Accounting Standards - Novation of Derivatives and Continuation of Hedge Accounting
- AASB 2013-5 - Amendments to Australian Accounting Standards - Investment Entities
- AASB 2013-9 - Amendments to Australian Accounting Standards - Part B: Materiality
- AASB 2014-1 - Amendments to Australian Accounting Standards -
  - Part A: Annual Improvements 2010-2012 and 2011-2013 Cycles
  - Part B: Defined Benefit Plans - Employee Contributions (Amendments to AASB 119)
  - Part C: Materiality
- Interpretation 21 - Levies





**Fleurieu Community Enterprises Limited**  
**ABN 72 116 550 157**  
**Notes to the financial statements**  
**for the half-year ended 31 December 2014**

**Note 1. Summary of Significant Accounting Policies (continued)**

*Amendments to Accounting Standards and the new Interpretation that are mandatorily effective for the current reporting period (continued)*

None of the new standards, amendments to standards or interpretation that are mandatory for the first time for the financial year beginning 1 July 2014 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods.

The company has not elected to apply any pronouncements before their mandatory operative date in the annual reporting period beginning 1 July 2014.

Economic dependency - Bendigo and Adelaide Bank Limited

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

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

Bendigo and Adelaide Bank Limited provides significant assistance in establishing and maintaining the **Community Bank®** branch franchise operations. It also continues to provide ongoing management and operational support and other assistance and guidance in relation to all aspects of the franchise operation, including advice in relation to:

- advice and assistance in relation to the design, layout and fit out of the **Community Bank®** branch
- training for the branch manager and other employees in banking, management systems
- 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 expense
- the formulation and implementation of advertising and promotional programs
- sales techniques and proper customer relations.



**Fleurieu Community Enterprises Limited**  
**ABN 72 116 550 157**  
**Notes to the financial statements**  
**for the half-year ended 31 December 2014**

**Note 1. Summary of Significant Accounting Policies (continued)**

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial statements. The accounting policies have been consistently applied,

**b) Revenue**

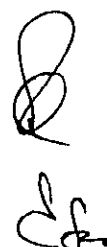
Revenue is recognised when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the company and any specific criteria have been met. Interest and fee revenue is recognised when earned. The gain or loss on disposal of property, plant and equipment is recognised on a net basis and is classified as income rather than revenue. All revenue is stated net of the amount of Goods and Services Tax (GST).

Revenue calculation

The franchise agreement with Bendigo and Adelaide Bank Limited provides for three types of revenue earned by the company. First, the company is entitled to 50% of the monthly gross margin earned by Bendigo and Adelaide Bank Limited on products and services provided through the company that are regarded as "day to day" banking business (i.e. 'margin business'). This arrangement also means that if the gross margin reflects a loss (that is, the gross margin is a negative amount), the company effectively incurs, and must bear, 50% of that loss.

The second source of revenue is commission paid by Bendigo and Adelaide Bank Limited on the other products and services provided through the company (i.e. 'commission business'). The commission is currently payable on various specified products and services, including insurance, financial planning, common fund, Sandhurst Select, superannuation, commercial loan referrals, products referred by Rural Bank, leasing referrals, fixed loans and certain term deposits (>90 days). The amount of commission payable can be varied in accordance with the Franchise Agreement (which, in some cases, permits commissions to be varied at the discretion of Bendigo and Adelaide Bank Limited). This discretion has been exercised on several occasions previously. For example in February 2011 and February 2013 Bendigo and Adelaide Bank Limited reduced commissions on two core banking products to ensure a more even distribution of income between Bendigo and Adelaide Bank Limited and its **Community Bank®** partners. The revenue share model is subject to regular review to ensure that the interests of Bendigo and Adelaide Bank Limited and **Community Bank®** companies remain balanced.

The third source of revenue is a proportion of the fees and charges (i.e. what are commonly referred to as 'bank fees and charges') charged to customers. This proportion, determined by Bendigo and Adelaide Bank Limited, may vary between products and services and may be amended by Bendigo and Adelaide Bank Limited from time to time.



**Fleurieu Community Enterprises Limited**  
**ABN 72 116 550 157**  
**Notes to the financial statements**  
**for the half-year ended 31 December 2014**

**Note 1. Summary of Significant Accounting Policies (continued)**

**c) Income tax**

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax is accounted for using the balance sheet liability method on temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities reflects the tax consequences that would follow from the manner in which the consolidated entity expects, at the reporting date, to recover or settle the

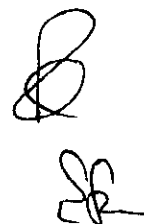
Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax and when the balances relate to taxes levied by the same taxation authority and the company entity intends to settle its tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the statement of comprehensive income, except when it relates to items credited or debited to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from initial accounting for a business combination, in which case it is taken into account in the determination

**d) Cash and cash equivalents**

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.



**Fleurieu Community Enterprises Limited**  
**ABN 72 116 550 157**  
**Notes to the financial statements**  
**for the half-year ended 31 December 2014**

**Note 1. Summary of Significant Accounting Policies (continued)**

**e) Trade receivables and payables**

Receivables are carried at their amounts due. The collectability of debts is assessed at balance date and specific provision is made for any doubtful accounts. Liabilities for trade creditors and other amounts are carried at cost that is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the company.

**f) Payment terms**

Receivables and payables are non interest bearing and generally have payment terms of

**g) Goods and Services Tax**

Revenues, 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 taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet. Cash flows are included in the statement of cash flows on a gross basis.

The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the taxation authority are classified as operating cash flows.

**Note 2. Events Subsequent to Reporting Date**

There have been no events subsequent to reporting date that would materially effect the financial statements at the reporting date.

**Note 3. Contingent Assets and Liabilities**

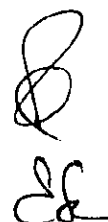
There were no contingent assets or liabilities at the date of this report to affect the financial statements.

**Note 4. Segment Reporting**

The economic entity operates in a single service sector where it facilitates community banking services in Aldinga Beach and surrounding districts of South Australia pursuant to a franchise agreement with Bendigo and Adelaide Bank Limited.

**Note 5. Related Parties**

Arrangements with related parties continue to be in place. For details on these arrangements,

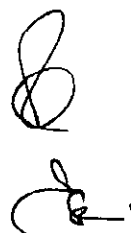


**Fleurieu Community Enterprises Limited**  
**ABN 72 116 550 157**  
**Notes to the financial statements**  
**for the half-year ended 31 December 2014**

refer to the 30 June 2014 annual financial report.

**Note 6. Dividends Paid/Provided**

	<u>2014</u> <u>Cents</u>	<u>2014</u> <u>\$</u>	<u>2013</u> <u>Cents</u>	<u>2013</u> <u>\$</u>
Unfranked dividend declared and paid during the period:	4	28,993	-	-
Unfranked dividend paid in the period as recommended in the annual report:	-	-	3	21,744



**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF FLEURIEU COMMUNITY ENTERPRISES LIMITED**

**Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Fleurieu Community Enterprises Limited, which comprises the balance sheet as at 31 December 2014, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies, other selected explanatory notes, and the directors declaration.

**Directors Responsibility for the Half-Year Financial Report**

The directors of the Company are responsible for the preparation and fair presentation of the half-year financial report in accordance with the Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the half-year financial report so that is free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with *Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the financial report is not presented fairly, in all material respects, in accordance with the *Corporations Act 2001*. As the auditor of Fleurieu Community Enterprises Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Independence**

In conducting our review, 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, would be in the same terms if given to the directors as at the time of this auditor's review report.

**Conclusion**

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of Fleurieu Community Enterprises Limited does not present fairly, in all material respects, the financial position of the Company as at 31 December 2014, and of its financial performance and its cash flows for the half-year ended on that date, in accordance with *Corporations Act 2001*.

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

Without qualifying our review we draw attention to the Company's accumulated net losses. Notwithstanding this period's profit of \$25,457, the Company has accumulated losses of \$443,136 as at 31<sup>st</sup> December 2014.

**ACCRU<sup>+</sup> HARRIS ORCHARD**



**BEN WILLINGTON  
PARTNER**

Signed at Dulwich this 12<sup>th</sup> day of March 2015.