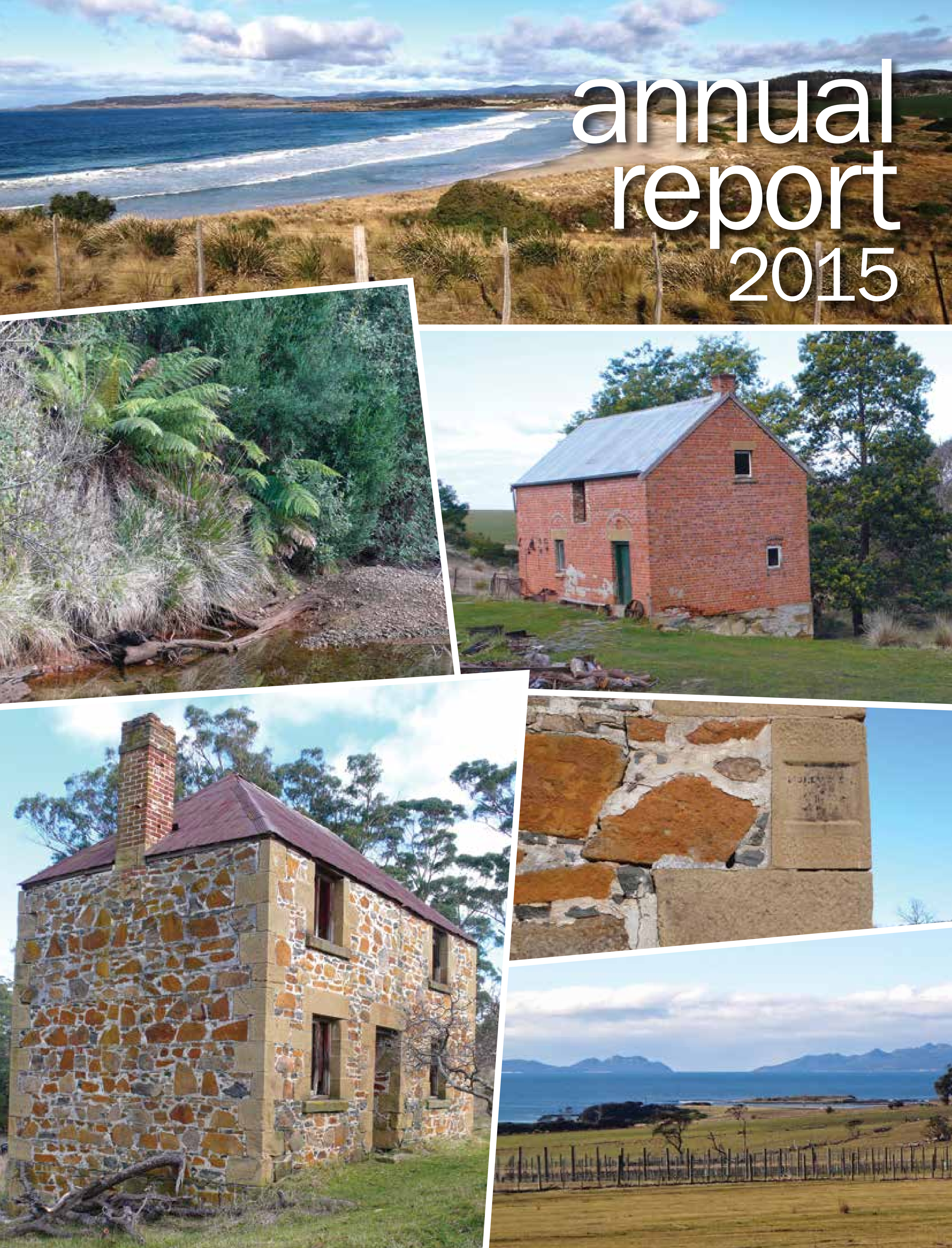

annual report 2015

Freycinet Coast Financial Services Limited ABN 32 127 068 222

Contents

Front cover photographs of Mayfield, Little Swanport by Diane Bricknell

Chair's report

Dear Shareholders,

It is with pleasure I report to you on behalf of the Board.

During the past year we have had a focus on identifying ways we can bring value by working with other organisations in our communities, to support the local economies, schools and people.

One of our strategies has been to develop a partnership with the East Coast Regional Tourism Organisation (ECRTO). This year our support has assisted the ECRTO in continuing the East Coast Tourism Awards, and also funded a mentoring program for winning businesses that are entering the State Awards. Given tourism is such a large part of our economies we believe that assisting to increase our East Coast profile is of benefit to us all.

In conjunction with the East Coast Farmers group we ran a very successful Rural Night at Swansea where speakers challenged farmers about the opportunities arising from both climate change and the increased availability of water to farmers in our region.

We have continued to identify ways to support young people in our communities, and have done so in many ways through the local schools, sporting groups, leisure groups, and our bursaries program for high school students from both Triabunna and St Mary's High Schools, and for the first time we have offered a traineeship at our Bicheno **Community Bank®** Branch.

We continue to maintain our relationship with Glamorgan Spring Bay Council. Our agency in Triabunna has only shown slow growth in business, however overall our business from that area is growing and we have strategies in place to further develop opportunities in that area, while at the same time supporting the economic recovery of the area.

During the year, the funds raised in the Bush Fire Appeal for those who lost property in the Bicheno fires were disbursed and properties rebuilt. These funds were administered by the Bendigo Bank Community Enterprise Foundation™.

Our Marketing Committee, which meet monthly, made the decision that it was the right time to undertake some novelty profile-building projects in the area. Running for the next year are the "Lost Wallet" radio campaign and the "Piggy Pots". The former is a radio campaign which, while only running in the Bicheno/Coles Bay/Swansea areas due to the lack of radio signal further south, is proving to be very effective. The Piggy Pots are scattered through businesses on the Coast and are collecting funds for nominated projects in each township. They will be opened with public celebrations and distribution of funds just prior to Christmas, with new fund-raising projects being identified at the celebrations and the cycle continuing.

The Board appreciate that the branch staff have again this year been instrumental in bringing you efficient and friendly banking services. We had some changes which gave us the opportunity to offer a position to a young trainee.

I would like to thank my fellow Directors and Company Secretary for their work this year. We have had a number of changes with Rob Woolley, Derek Freeman, and Tracey Bell retiring from the Board with our appreciation for all they had to offer during their time with us. While we have never enjoyed Board members leaving us, it does allow for new skills, knowledge and experience to be introduced and it has been with pleasure that we have welcomed John Fletcher and Kyle Duffield. John brings a strong financial background including in the banking industry, while Kyle has many years of marketing experience to strengthen our marketing endeavours.

The Board is continuing to vision and plan for how our branch might look in the next five to ten years, including in our planning the changing ways customers want to interact with their **Community Bank®** branch.

The final report for Project Horizon, a joint project of Bendigo Adelaide Bank and the **Community Bank®** Strategic Advisory Board, was released in February this year, and includes a number of innovations which are gradually taking effect to support us into the future.

A key recommendation of Project Horizon was changes to the current financial model which will take effect on 1 July 2016. As we receive quarterly updates we are building up a picture of how they might affect us into the future; at this stage it appears immaterial however should that change we will advise shareholders. However, in the meantime, we are reporting a small profit this year and our projections for the coming year are very encouraging. We have a strong cohesive Board and a competent staff team leading us to believe we are on track for the future.

Jenny Logie
CHAIR

Manager's report

Branch Manager's Report

I am pleased to be able to update our shareholders with my Manager's report for 2014/15.

We have had another successful year with growth of over $7 million on our books and an increase in accounts taking us to 2,700 in total which is a positive indicator of confidence in our branches.

Our staff have all contributed strongly in making our branches successful. Over the last 12 months we have welcomed new staff members, Rachael Fiumara and Karly Graham to our Bicheno **Community Bank®** Branch. Together with Cherie Hill, Susan Sinclair and Kristen Darke we have a dedicated group who are continuing to develop and promote the focus of our **Community Bank®** branches. We said goodbye to Georgia Alexander, Leissa Dane and Lisa O'Neill, who between them had given Swansea Bicheno **Community Bank®** Branch over 10 years of service and we thank them for that.

Ongoing training, development and guidance from Bendigo Bank is certainly assisting staff with their level of service and expertise. We have had a major focus on building relationships with existing customer base and our new customers. We are all working with Bendigo Bank on diversifying our knowledge in areas of wealth and promoting what we have to offer. Professional development has always been important for both Bendigo Bank and Freycinet Coast Financial Services Limited and they continue to promote these services.

As has always been the case, we have a great working relationship with our Board and thank them for ongoing support. It is great to be part of a team which is working together to involve all of our communities, whether it be our local schools, community groups or clubs and associations. Over the last seven years we have financially assisted many of the above from our Market Development Fund which is money we receive from Bendigo Bank to enable this to happen.

We would like to thank staff at our Triabunna agency, as we continue to build and develop our **Community Bank®** company presence in this area. This will continue in the future with Kristen Darke visiting the area on a regular basis.

Bendigo Bank Regional Office staff together with our Business Bankers and Rural Bank staff are there to assist us and visit the East Coast on a regular basis. We feel we have the Coast covered in all areas to assist with your banking needs.

We are all passionate about the **Community Bank®** model and our Community. As shareholders, we ask that you continue to support us with your banking, but to also promote our cause to your friends and families. We can only put back in to our community from what the community puts into our business as Swansea Bicheno **Community Bank®** Branch – we need your ongoing support.

Personally I have found the last seven years very rewarding and together with staff we are all passionate about continual growth. Please feel free to contact us with your present and future banking needs as we have the expertise and professionalism to assist.

Lyn Mansfield
BRANCH MANAGER

Bendigo and Adelaide Bank Ltd report

For year ending 30 June 2015

In the 2015 financial year, the **Community Bank**® network opened its 310th branch and community contributions since the model's inception exceed $130 million. Both of these achievements could not have been achieved without your ongoing support as a shareholder, customer and advocate of what is a truly unique way of banking for the benefit of your local community.

Local communities continue to embrace the **Community Bank**® model, a banking movement founded on the simple belief that successful customers and successful communities create a successful bank.

Seventeen years later communities are still approaching us and the model is as robust and relevant as ever, however a review of what we were doing, why and how we could do it better was timely.

During an 18 month period the Bank, in partnership with the **Community Bank**® network, undertook a comprehensive review of the **Community Bank**® model. Project Horizon was the largest single engagement process ever undertaken by our organisation.

As a result, a focus for the next 18 months will be the implementation of 64 recommendations. What was overwhelmingly obvious is that our **Community Bank**® network, and our Bank, care deeply about what has been developed and in what the future holds for the network.

In the early days of **Community Bank**® development, the **Community Bank**® model was seen as a way to restore branch banking services to rural towns, regional cities and metropolitan suburbs after the last of the banks closed their doors.

Today, although the focus is still about providing banking services, there is perhaps an even greater interest in the way in which the model creates a successful community enterprise used to effectively, and sustainably, build community capacity.

In October 2014, we welcomed **Community Bank**® branches in Bacchus Marsh, Kilmore, Maffra, Kwinana and Nubeena. All of these branches join a strong and mature banking network where valued partnerships enhance banking services, taking the profits their banking business generates and reinvesting that funding into initiatives to ultimately strengthen their community.

Following consultation with local residents and business owners responding to other banks reducing their branch presence, Aldinga Beach **Community Bank**® Branch opened the Willunga Customer Service Centre in April 2015, providing a full banking service to local people five days a week.

The **Community Bank**® model is a great example of shared value and was centre stage at an international Shared Value conference in the United States earlier this year.

Funding generated by **Community Bank**® branches support projects that make a difference to a community. But no matter how big or small the place people call home, the **Community Bank**® network recognises that when they act as one, powered by the good that money can bring, bigger things can happen for local towns, regions and states.

In WA, a $125,000 commitment to Ronald McDonald House by Collie & Districts **Community Bank**® Branch resulted in a further $125,000 from 21 branches (both community and company owned) in the state.

In QLD, Longreach farming families are now feeding their stock thanks to a dedicated Rotary Club and financial contributions from 16 **Community Bank**® (and company) branches.

Across regional and rural NSW, young people are today better drivers thanks to a driver education program supported by **Community Bank**® branches and across Australia, 58 young people headed off to their first year of university with the help of a **Community Bank**® scholarship.

Interest in the **Community Bank®** model remains strong, with 20 **Community Bank®** sites currently in development and a further six **Community Bank®** branches expected to open nationally during the next 12 months.

The network's steady expansion demonstrates the strength and relevance of a banking model where the desire to support the financial needs of customers is equalled by the desire to support the community with the good that money can bring.

By the end of the financial year 2014/15 the **Community Bank®** network achieved the following:

- Returns to community – over $130 million since the model's inception
- **Community Bank®** branches – 310
- **Community Bank®** branch staff – more than 1,500
- **Community Bank®** company Directors – 1,946
- Banking business – $28.79 billion
- Customers – 699,000
- Shareholders – 74,393
- Dividends paid to shareholders since inception – $38.6 million

The communities we partner with also have access to the Bank's extensive range of other community building solutions including Community Enterprise Foundation™ (philanthropic arm), Community Sector Banking (banking service for not-for-profit organisations), Generation Green™ (environment and sustainability initiative), Community Telco® Australia (telecommunications solution), tertiary education scholarships and community enterprises that provide **Community Bank®** companies with further development options.

In Bendigo and Adelaide Bank, your **Community Bank®** company has a committed and strong partner and over the last financial year our company has continued its solid performance. Our Bank continues to be rated at least "A-" by Standard & Poor's, Moody's and Fitch in recognition of its strong performance in the face of what continues to be a challenging economic environment.

Our **Community Bank®** partners played an integral role in the Bank's involvement in the Financial Systems Inquiry, lobbying their local Federal Government representatives and calling for a level playing field.

Recent APRA announcements regarding changes to risk weights on mortgages will positively impact our Bank – providing customers with a level playing field by giving them more choice from a wider variety of financial providers.

Thanks to the efforts of our people, our peers and **Community Bank®** partners, we're starting to see the benefits. In continuing to take a collaborative approach, we act as one network driving positive outcomes for all Australians.

As **Community Bank®** company shareholders you are part of a unique banking movement.

The model offers an alternative way to think about banking and the role banks play in modern society, and because of your support there really is no limit to what can be achieved for local people and the communities in which you live.

Thank you for your ongoing support of your local **Community Bank®** branch.

Robert Musgrove
Executive Community Engagement

Directors' report

Your Directors present their report of the Company for the financial year ended 30 June 2015.

Directors

The following persons were directors of Freycinet Coast Financial Services Limited during or since the end of the financial year up to the date of this report:

Name and position held	Qualifications	Experience and other Directorships
Jennifer Logie	Bachelor of Business	HR Consultant
Appointed 15 August 2007	Graduate Diploma Public Policy	Other Directorships-Nil
Chair		
Bruce Dunbabin	Nil	Primary Producer
Appointed 26 July 2010		Other Directorships-Nil
Joint Deputy Chair		
Adele Plunkett	Diploma in Real Estate Business	Real Estate Consultant
Appointed 24 September 2012		Other Directorships-Nil
Joint Deputy Chair		
Robert Woolley	Chartered Accountant	Company Director
Appointed 15 August 2007		Other Directorships-Tandou Limited, Tasmanian Pure Foods Ltd
Resigned 22 June 2015		
Non-executive Director		
Ken Dean	Chartered Accountant	Retired Chartered Accountant
Appointed 15 August 2007		Other Directorships-Nil
Non-executive Director		
Derek Freeman	Nil	Vigneron & Commercial Fisherman
Appointed 29 March 2010		Other Directorships-Nil
Resigned 23 February 2015		
Non-executive Director		
Nadine Ozols	Nil	Programme Coordinator Rural Primary Health Services
Appointed 29 March 2010		
Non-executive Director		Other Directorships-Nil
Gregory Raspin	Nil	Retail Owner/Operator
Appointed 26 July 2010		Other Directorships-Tas Independent Retailers
Non-executive Director		May Shaw Nursing Centre
Noel Stanley	Nil	Tourism Accommodation Operator
Appointed 24 September 2012		Other Directorships-Nil
Non-executive Director		
Tracey Bell	Nil	Company Secretary
Appointed 24 September 2012		Other Directorships-Nil
Resigned 23 February 2015		
Non-executive Director		
Neil Edwards	Nil	Quarry Operator & Owner
Appointed 3 February 2014		Other Directorships-Nil
Non-executive Director		
John Fletcher	Bachelor Business Accounting	Retired Finance Executive
Appointed 1 December 2014	Chartered Accountant	Other Directorships
Non-executive Director		May Shaw Nursing Centre
Kyle Duffield	Nil	Tourism Operator
Appointed 19 January 2015		Other Directorships-Nil
Non-executive Director		

Directors were in office for this entire year unless otherwise stated.

Other than stated in this report no Directors have material interests in contracts or proposed contracts with the Company.

Principal activities

The principal activities of the Company during the course of the financial year were in providing **Community Bank**® services under management rights to operate a franchised branch of Bendigo and Adelaide Bank Limited.

There have been no significant changes in the nature of these activities during the year.

Review of operations

The profit/loss of the Company for the financial year after provision for income tax was $1,621 (2014 loss: $234,491), which is a 99% increase as compared with the previous year. The previous year's result was significantly impacted by the write back of the future tax benefit - refer Note 1(b) for details.

The net assets of the Company have increased to $290,674 (2014: $289,053). The increase is solely due to the year's result.

Dividends

No dividends were paid or proposed by the Company during the period.

Options

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

Significant changes in the state of affairs

No significant changes in the Company's state of affairs occurred during the financial year.

Events subsequent to the end of the reporting period

No matters or circumstances have arisen since the end of the financial year that significantly affect 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.

Remuneration report

Remuneration policy

There has been no remuneration policy developed as Director positions are held on a voluntary basis and Directors are not remunerated for their services.

Remuneration benefits and payments

Ken Dean and Robert Woolley are Directors of VSW Pty Ltd that owns the property which is leased to the Company for use as the Bicheno bank premises. Rent and outgoings paid during the year ended 30 June 2015 was $32,217 (2014: $37,212).

Other than detailed below, no Director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the Company, controlled entity or related body corporate with a Director, a firm which a Director is a member or an entity in which a Director has a substantial financial interest. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by Directors shown in the Company's accounts, or the fixed salary of a full-time employee of the Company, controlled entity or related body corporate.

Indemnifying officers or Auditor

The Company has agreed to indemnify each Officer (Director, Secretary or employee) out of assets of the Company to the relevant extent against any liability incurred by that person arising out of the discharge of their duties, except where the liability arises out of conduct involving dishonesty, negligence, breach of duty or the lack of good faith. The Company also has Officers Insurance for the benefit of Officers of the Company against any liability occurred by the Officer, which includes the Officer's liability for legal costs, in or arising out of the conduct of the business of the Company or in or arising out of the discharge of the Officer's duties.

Disclosure of the nature of the liability and the amount of the premium is prohibited by the confidentiality clause of the contract of insurance. The Company has not provided any insurance for an Auditor of the Company.

Directors' meetings

The number of Directors' meetings held during the year was 11. Attendances by each Director during the year were as follows:

Director	A	B	C
Jennifer Logie	11	11	
Bruce Dunbabin	9	11	
Adele Plunkett	9	11	1
Robert Woolley	7	11	
Ken Dean	9	11	2
Derek Freeman	5	7	2
Nadine Ozols	10	11	
Gregory Raspin	10	11	
Noel Stanley	8	11	1
Tracey Bell	-	7	7
Neil Edwards	10	11	
John Fletcher	6	7	
Kyle Duffield	3	6	

A - Number of meetings attended
B - Number of meetings held
C - Leave of absence granted

Audit Committee
The members of the audit committee are Ken Dean (Chair), Jenny Logie, Bruce Dunbabin, Adele Plunkett and John Fletcher. The committee met twice during the year.

Likely developments
The Company will continue its policy of providing banking services to the community.

Environmental regulations
The Company is not subject to any significant environmental regulation.

Proceedings on behalf of Company
No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

Company Secretary
Elizabeth Hutchinson has been the Company Secretary of Freycinet Coast Financial Services Limited since 2010.

Elizabeth has a wide range of secretarial and administration experience.

Auditor independence declaration
A copy of the Auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set at page 9 of this financial report. No officer of the Company is or has been a partner of the Auditor of the Company.

Signed in accordance with a resolution of the Board of Directors at Bicheno on 11 September 2015.

Jennifer Logie
Director

Richmond Sinnott & Delahunty
Chartered Accountants

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Auditor's Independence Declaration under section 307C of the Corporations Act 2001 to the Directors of Freycinet Coast Financial Services Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2015 there has been no contraventions of:

(i) the Auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RICHMOND SINNOTT & DELAHUNTY
Chartered Accountants

P.P. Delahunty
Partner
Dated at Bendigo, 14 September 2015

Financial statements

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

	Notes	2015 $	2014 $
Revenue	2	638,433	603,580
Employee benefits expense	3	(304,982)	(284,862)
Depreciation and amortisation expense	3	(49,456)	(52,094)
Finance costs	3	(1,325)	(1,659)
Bad and doubtful debts expense	3	(699)	(262)
Rental expense		(58,089)	(58,499)
Other expenses	3	(191,693)	(181,193)
Operating profit/(loss) before charitable donations & sponsorships		**32,189**	**25,011**
Charitable donations and sponsorships		(30,568)	(35,893)
Profit/(loss) before income tax		**1,621**	**(10,882)**
Tax expense	4	-	223,609
Profit/(loss) for the year		**1,621**	**(234,491)**
Other comprehensive income		-	-
Total comprehensive income for the year		1,621	(234,491)
Profit/(loss) attributable to members of the Company		1,621	(234,491)
Total comprehensive income attributable to members of the Company		**1,621**	**(234,491)**
Earnings per share (cents per share)			
- basic earning per share	23	0.14	(20.01)

The accompanying notes form a part of these financial statements.

Statement of Financial Position
As at 30 June 2015

	Notes	2015	2014
		$	$
Assets			
Current Assets			
Cash and cash equivalents	6	45,499	48,263
Investments and other financial assets	7	124,262	71,800
Trade and other receivables	8	61,385	56,110
Total Current Assets		**231,146**	**176,173**
Non-Current Assets			
Property, plant and equipment	9	115,718	151,330
Intangible assets	10	37,611	51,455
Total Non-Current Assets		**153,329**	**202,785**
Total Assets		**384,475**	**378,958**
Liabilities			
Current Liabilities			
Trade and other payables	11	40,701	39,729
Loans and borrowings	12	6,015	5,661
Provisions	13	15,813	25,891
Total Current Liabilities		**62,529**	**71,281**
Non Current Liabilities			
Loans and borrowings	12	12,609	18,624
Provisions	13	18,663	-
Total Non Current Liabilities		**31,272**	**18,624**
Total Liabilities		**93,801**	**89,905**
Net Assets		**290,674**	**289,053**
Equity			
Issued capital	14	1,153,788	1,153,788
Accumulated Losses	15	(863,114)	(864,735)
Total Equity		**290,674**	**289,053**

The accompanying notes form a part of these financial statements.

Statement of Changes in Equity
For the year ending 30 June 2015

		Issued Capital $	Accumulated Losses $	Total Equity $
Balance at 1 July 2014		**1,153,788**	**(864,735)**	**289,053**
Profit (Loss) for the year		-	1,621	1,621
Other comprehensive income for the year		-	-	-
Total comprehensive income for the year		**-**	**1,621**	**1,621**
Transactions with owners, in their capacity as owners				
Shares issued during the year		-	-	-
Dividends paid or provided	24	-	-	-
Balance at 30 June 2015		**1,153,788**	**(863,114)**	**290,674**
Balance at 1 July 2013		1,153,788	(630,244)	523,544
Loss for the year		-	(234,491)	(234,491)
Other comprehensive income for the year		-	-	-
Total comprehensive income for the year		**-**	**(234,491)**	**(234,491)**
Transactions with owners, in their capacity as owners				
Shares issued during the year		-	-	-
Dividends paid or provided	24	-	-	-
Balance at 30 June 2014		**1,153,788**	**(864,735)**	**289,053**

The accompanying notes form a part of these financial statements.

Statement of Cash Flows
For year ending 30 June 2015

	Notes	2015 $	2014 $
Cash Flows From Operating Activities			
Receipts from customers		695,586	662,339
Payments to suppliers and employees		(641,389)	(632,738)
Interest paid		(1,325)	(1,659)
Interest received		2,487	1,558
Net cash provided by operating activities	16	**55,359**	**29,500**
Cash Flows From Investing Activities			
Purchase of property, plant & equipment		-	(849)
Purchase of investments		(52,462)	(31,535)
Net cash flows used in investing activities		**(52,462)**	**(32,384)**
Cash flows from financing activities			
Repayment of borrowings		(5,661)	(5,327)
Net cash use in financing activities		**(5,661)**	**(5,327)**
Net decrease in cash held		(2,764)	(8,211)
Cash and cash equivalents at beginning of financial year		48,263	56,474
Cash and cash equivalents at end of financial year	6	**45,499**	**48,263**

The accompanying notes form a part of these financial statements.

Notes to the financial statements

These financial statements and notes represent those of Freycinet Coast Financial Services Limited. Freycinet Coast Financial Services Limited ('the Company') is a Company limited by shares, incorporated and domiciled in Australia.

The financial statements were authorised for issue by the Directors on 11 September 2015.

1. Summary of significant accounting policies

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with the C*orporations Act 2001*, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The Company is a for profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non current assets, financial assets and financial liabilities.

Economic Dependency

The Company has entered into a franchise agreement with Bendigo and Adelaide Bank Limited that governs the management of the **Community Bank**® branches.

The branches operate 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**® branches on behalf of Bendigo and Adelaide Bank Limited, however all transactions with customers conducted through the **Community Bank**® branches are effectively conducted between the customers and Bendigo and Adelaide Bank Limited.

All deposits are made with Bendigo and Adelaide Bank Limited, and all personal and investment products are products of Bendigo and Adelaide Bank Limited, with the Company facilitating the provision of those products. All loans, leases or hire purchase transactions, issues of new credit or debit cards, temporary or bridging finance and any other transaction that involves creating a new debt, or increasing or changing the terms of an existing debt owed to Bendigo and Adelaide Bank Limited, must be approved by Bendigo and Adelaide Bank Limited. All credit transactions are made with Bendigo and Adelaide Bank Limited, and all credit products are products of Bendigo and Adelaide Bank Limited.

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

- Advice and assistance in relation to the design, layout and fit out of the **Community Bank**® branch;
- Training for the branch managers and other employees in banking, management systems and interface protocol;
- Methods and procedures for the sale of products and provision of services;
- Security and cash logistic controls;
- Calculation of Company revenue and payment of many operating and administrative expenses;
- The formulation and implementation of advertising and promotional programs; and
- Sale techniques and proper customer relations.

(b) Income tax

The income tax expense / (income) for the year comprises current income tax expense / (income) and deferred tax expense / (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities/(assets) are measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

The Directors have not been able to determine with any certainty the period over which the tax losses will be recouped and as such have determined that the benefit of existing tax losses will be recognised as they are recouped. In the 2014 year, an adjustment was made to the carrying value of deferred tax assets to recognise this uncertainty.

Deferred income tax assets and liabilities are calculated at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

(c) Fair value of assets and liabilities

The Company may measure some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Company would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair value of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

d) Property, plant and equipment

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

Plant and equipment
Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount of these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Depreciation
The depreciable amount of all fixed assets, is depreciated on a straight-line basis over the asset's useful life to the Company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of asset	*Depreciation rate*
Leasehold improvements	10%
Plant & equipment	10-20%

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(e) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset - but not the legal ownership - are transferred to the Company, are classified as finance leases.

Finance leases are capitalised by recognising an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses in the periods in which they are incurred.

(f) Impairment of assets

At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less cost to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard. Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

(g) Goods and services tax (GST)

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(h) Employee benefits

Short-term employee benefits

Provision is made for the Company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the undiscounted amounts expected to be paid when the obligation is settled.

The Company's obligation for short-term employee benefits such as wages and salaries are recognised as part of current trade and other payables in the statement of financial position. The Company's obligation for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurement for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Company's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

(i) Intangible assets and franchise fees
Franchise renewal costs have been initially recorded at cost and amortised on a straight line basis at a rate of 20% per annum. The current amortisation charges for intangible assets are included under depreciation and amortisation expense in the Statement of Profit or Loss and Other Comprehensive Income.

(j) Cash and cash equivalents
Cash and cash equivalents include cash on hand, deposits available on demand with banks.

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments.

(k) Revenue and other income
Revenue is measured at the fair value of the consideration received or receivable. Revenue comprises service commissions and other income received by the Company.

Interest, dividend and fee revenue is recognised when earned.

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

(l) Trade and other receivables
Trade and other receivables include amounts due from customers for services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

(m) Trade and other payables
Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(n) Borrowing costs
Borrowing costs are recognised in profit or loss in the period in which they are incurred.

(o) New and amended accounting policies adopted by the Company
There are no new and amended accounting policies that have been adopted by the Company this financial year.

(p) New accounting standards for application in future periods
The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Company.

The Company has decided not to early adopt any of the new and amended pronouncements. The Company's assessment of the new and amended pronouncements that are relevant to the Company but applicable in the future reporting periods is set below:

(i) AASB 9 *Financial Instruments* and associated Amending Standards (applicable for annual reporting periods beginning on or after 1 January 2018).

This Standard will be applicable retrospectively and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

The key changes that may affect the Company on initial application include certain simplifications to the classification of financial assets.

Although the directors anticipate that the adoption of AASB 9 may have an impact on the Company's financial instruments, it is impractical at this stage to provide a reasonable estimate of such impact.

(ii) AASB 15: Revenue from Contracts with Customers (applicable for annual reporting periods commencing on or after 1 January 2017).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with customers;

- identify the performance obligations in the contract(s);

- determine the transaction price;

- allocate the transaction price to the performance obligations in the contract(s); and

- recognise revenue when (or as) the performance obligations are satisfied.

This Standard will require retrospective restatement, as well as enhanced disclosure regarding revenue.

Although the Directors anticipate that the adoption of AASB 15 may have an impact on the Company's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

(q) Loans and borrowings

All loans are measured at the principal amount. Interest is recognised as an expense as it accrues.

(r) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which is probable that the outflow of economic benefits will result and the outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

A provision for dividends is not recognised as a liability unless the dividends are declared, determined or publicly recommended on or before the reporting date.

(s) Share capital

Issued and paid up capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(t) Comparative figures

When required by Accounting Standards comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(u) Critical accounting estimates and judgements

The Directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company. Estimates and judgements are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The estimates and judgements that have a significant risk of causing material adjustments to the carrying values of assets and liabilities are as follows:

Estimation of useful lives of assets

The Company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and intangible assets. The depreciation and amortisation charge will increase where useful lives are less than previously estimated lives.

Employee benfits provision

Assumptions are required for wage growth and CPI movements. The likelihood of employees reaching unconditional service is estimated. The timing of when employee benefit obligations are to be settled is also estimated.

Income tax

The Company is subject to income tax. Significant judgement is required in determining the deferred tax asset. Deferred tax assets are recognised only when it is considered sufficient future profits will be generated. The assumptions made regarding future profits is based on the Company's assessment of future cash flows.

Impairment

The Company assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value in use calculations which incorporate various key assumptions.

(v) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Company commits itself to either purchase or sell the asset (ie trade date accounting is adopted). Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to the profit or loss immediately.

Classification and subsequent measurement
Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method or cost.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method.*

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discount estimated future cash payments or receipts over the expected life (or where this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in the profit or loss.

(i) Loans and receivables
Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(ii) Financial liabilities
Non derivative financial liabilities are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment
A financial asset (or group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial assets.

In the case of financial assets carried at amortised cost loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency on interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial asset is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition
Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

	2015 $	2014 $
2. Revenue and other income		
Revenue		
- services commissions	585,619	551,799
- other income	50,000	50,000
	635,619	**601,799**
Other revenue		
- interest received	2,814	1,775
- other revenue	-	6
	2,814	1,781
Total Revenue	**638,433**	**603,580**
3. Expenses		
Employee benefits expense		
- wages and salaries	265,013	252,047
- superannuation costs	22,570	23,099
- other costs	17,399	9,716
	304,982	**284,862**
Depreciation of non-current assets:		
- plant and equipment	35,612	38,250
Amortisation of non-current assets:		
- intangible assets	13,844	13,844
	49,456	**52,094**
Finance costs		
- interest paid	1,325	1,659
Bad debts	699	262
Other expenses:		
- Administration costs	8,576	7,203
- Insurance	14,936	14,863
- Freight	19,569	18,790
- IT running costs	17,509	17,509
- Marketing	9,925	7,386
- Advertising	2,292	6,185
- Printing and Stationery	8,204	8,503
- Telephone	11,057	10,941
- Cash delivery	16,596	15,472
- IT lease and support costs	16,996	17,414
- Other expenses	66,033	56,927
	191,693	**181,193**

		2015 $	2014 $
4. Tax Expense			
a. The components of tax expense/(income) comprise			
- current tax expense (income)		-	(2,572)
- deferred tax expense/(income) relating to the reversal of temporary differences and tax losses	Note 1(b)	-	227,161
- adjustments for under/(over)-provision of current income tax of previous years		-	(980)
		-	**223,609**
b. The prima facie tax on profit/(loss) from ordinary activities before income tax is reconciled to the income tax expense as follows:			
Prima facie tax on profit/(loss) before income tax at 30% (2014: 30%)		486	(3,264)
Add tax effect of:			
- Adjustments in respect of current income tax of previous year		-	(980)
- Non recognition of current year losses and timing differences	Note 1(b)	-	3,552
- Non-deductible expenses		692	692
- Write back of previously recognised carried forward tax losses and timing differences	Note 1(b)	**-**	**223,609**
- Recoup of carried forward tax losses		(1,178)	-
Current income tax expense		-	223,609
Income tax attributable to the entity		**-**	**223,609**

The applicable income tax rate is the Australian Federal tax rate of 30% (2014: 30%) applicable to Australian resident companies. The value of tax losses and other timing differences not brought to account at 30 June 2015 at current tax rates is $225,986. This benefit will only be realised when sufficient profits are made and providing there are no changes to Income Tax legislation regarding carry forward tax losses.

	2015 $	2014 $
5. Auditors' remuneration		
Remuneration of the auditor for:		
- Audit or review of the financial report	4,430	4,300
- Taxation services	1,200	-
- Share registry services	1,800	1,790
	7,430	**6,090**
6. Cash and cash equivalents		
Cash at bank and on hand	**45,499**	**48,263**
7. Investments and other financial assets		
Short-term bank deposits	**124,262**	**71,800**

The effective interest rate on short-term bank deposits was 2.85% (2014: 3.35%); these deposits have an average maturity of 180 days.

	2015 $	2014 $
8. Trade and other receivables		
Current		
Trade receivables	58,126	55,418
Other assets	3,259	692
	61,385	**56,110**

Credit risk

The main source of credit risk relates to a concentration of trade receivables owing by Bendigo and Adelaide Bank Limited, which is the source of the majority of the Company's income.

The following table details the Company's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as "past due" when the debt has not been settled, within the terms and conditions agreed between the Company and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Company.

The balances of receivables that remain within initial trade terms (as detailed in the table below) are considered to be high credit quality.

			Past Due but Not Impaired			
	Gross Amount $	Past Due and impaired $	< 30 days $	31-60 days $	> 60 days $	Not Past Due $
2015						
Trade receivables	58,126	-	-	-	-	58,126
Other receivables	3,259	-	-	-	-	3,259
Total	**61,385**	**-**	**-**	**-**	**-**	**61,385**
2014						
Trade receivables	55,418	-	-	-	-	55,418
Other receivables	692	-	-	-	-	692
Total	**56,110**	**-**	**-**	**-**	**-**	**56,110**

	2015 $	2014 $
9. Property, plant and equipment		
Leasehold improvements		
At cost	132,222	132,222
Less accumulated depreciation	(92,506)	(79,284)
	39,716	**52,938**
Plant and equipment		
At cost	233,311	233,311
Less accumulated depreciation	(157,309)	(134,919)
	76,002	98,392
Total written down amount	**115,718**	**151,330**
Movements in carrying amounts		
Leasehold improvements		
Balance at the beginning of the reporting period	52,938	66,160
Additions	-	-
Depreciation expense	(13,222)	(13,222)
Balance at the end of the reporting period	**39,716**	**52,938**
Plant and equipment		
Balance at the beginning of the reporting period	98,392	122,571
Additions	-	849
Depreciation expense	(22,390)	(25,028)
Balance at the end of the reporting period	**76,002**	**98,392**

10. Intangible assets		
Franchise Fee		
At cost	69,221	69,221
Less accumulated amortisation	(31,610)	(17,766)
	37,611	51,455
Total Intangible assets	**37,611**	**51,455**
Movements in carrying amounts		
Franchise Fee		
Balance at the beginning of the reporting period	51,455	65,299
Amortisation expense	(13,844)	(13,844)
Balance at the end of the reporting period	**37,611**	**51,455**
11. Trade and other payables		
Current		
Unsecured liabilities:		
Trade creditors	15,466	14,664
Other creditors and accruals	25,235	25,065
	40,701	**39,729**

The average credit period on trade and other payables is one month.

	2015 $	2014 $
12. Borrowings		
Current		
Secured liabilities		
Asset Purchase Liability	6,015	5,661
	6,015	**5,661**
Non-current		
Secured liabilities		
Asset Purchase Liability	12,609	18,624
	12,609	**18,624**

The Company has finance over a Motor Vehicle which is subject to normal terms and conditions. The current interest rate is 6.1%, on a 5 year loan. The maturity profile of this liability is shown at note 25(b).

13. Provisions		
Employee benefits	**34,476**	**25,891**
Movement in employee benefits		
Opening balance	25,891	29,129
Additional provisions recognised	36,414	20,415
Amounts utilised during the year	(27,829)	(23,653)
Closing balance	**34,476**	**25,891**
Current		
Annual Leave	**15,813**	**25,891**
Non current		
Long service leave	18,663	-
Total provisions	**34,476**	**25,891**

Provision for employee benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements Based on past experience the Company does not expect the full amount of annual leave as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement. Long service leave is shown as a non-current liability as no staff member has a present entitlement.

	2015 $	2014 $
14. Share capital		
1,171,615 Ordinary Shares fully paid	1,171,615	1,171,615
Less: Equity raising costs	(17,827)	(17,827)
	1,153,788	**1,153,788**
Movements in share capital		
Fully paid ordinary shares:		
At the beginning of the reporting period	1,171,615	1,171,615
Shares issued during the year	-	-
At the end of the reporting period	**1,171,615**	**1,171,615**

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At the shareholders' meetings each shareholder is entitled to one vote when a poll is called, or on a show of hands. The Company does not have authorised capital or par value in respect of its issued shares. All issued shares are fully paid. All shares rank equally with regard to the Company's residual assets.

Capital management

The Board's policy is to maintain a strong capital base so as to sustain future development of the Company. The Board of Directors monitor the return on capital and the level of dividends to shareholders. Capital is represented by total equity as recorded in the Statement of Financial Position.

In accordance with the franchise agreement, in any 12 month period, the funds distributed to shareholders shall not exceed the Distribution Limit.

(i) the Distribution Limit is the greater of:

(a) 20% of the profit or funds of the Franchisee otherwise available for distribution to shareholders in that 12 month period; and

(b) subject to the availability of distributable profits, the Relevant Rate of Return multiplied by the average level of share capital of the Franchisee over that 12 month period; and

(ii) the Relevant Rate of Return is equal to the weighted average interest rate on 90 day bank bills over that 12 month period plus 5%.

The Board is managing the growth of the business in line with this requirement. There are no other externally imposed capital requirements, although the nature of the Company is such that amounts will be paid in the form of charitable donations and sponsorship. Charitable donations and sponsorship paid can be seen in the Statement of Profit or Loss and Comprehensive Income.

There were no changes in the Company's approach to capital management during the year.

	2015 $	2014 $
15. Accumulated losses		
Balance at the beginning of the reporting period	(864,735)	(630,244)
Profit/(loss) after income tax	1,621	(234,491)
Balance at the end of the reporting period	**(863,114)**	**(864,735)**
16. Statement of cash flows		
Reconciliation of cash flow from operations with profit after income tax		
Profit / (loss) after income tax	1,621	(234,491)
Non cash flows in profit		
- Depreciation	35,612	38,250
- Amortisation	13,844	13,844
Changes in assets and liabilities		
- (Increase) decrease in receivables	(5,275)	136
- (Increase) decrease in deferred tax asset	-	223,609
- Increase (decrease) in payables	972	(8,610)
- Increase (decrease) in provisions	8,585	(3,238)
Net cash flows from/(used in) operating activities	**55,359**	**29,500**

(c) Credit standby arrangement and loan facilities
The Company has no bank overdraft and commercial bill facility (2014: $Nil).

17. Related party transactions

The Company's main related parties are as follows:

(a) Key management personnel

Any person(s) having authority or responsibility for planning, directing or controlling the activities of the entity, directly or indirectly including any Director (whether executive or otherwise) of that Company is considered key management personnel. No director of the Company received remuneration for services as a company director or committee member. There are no executives within the Company whose remuneration is required to be disclosed.

(b) Other related parties

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel, individually or collectively with their close family members.

(c) Transactions with key management personnel and related parties.

Other than detailed below, no key management personnel or related party has entered into any contracts with the Company. No director fees have been paid as the positions are held on a voluntary basis.

Ken Dean and Robert Woolley are Directors of VSW Pty Ltd that owns the property which is leased to the Company for use as the Bicheno bank premises. Rent and outgoings paid during the year ended 30 June 2015 was $32,217 (2014 $37,212).

17. Related party transactions (continued)

(d) Key management personnel shareholdings

The number of ordinary shares in Freycinet Coast Financial Services Limited held by each key management personnel of the Company during the financial year is as follows:

	2015	2014
Jennifer Logie	20,001	20,001
Bruce Dunbabin	7,000	7,000
Adele Plunkett	3,000	3,000
Robert Woolley	21,501	21,501
Ken Dean	3,501	3,501
Derek Freeman	-	-
Nadine Ozols	-	-
Gregory Raspin	6,000	6,000
Noel Stanley	1,500	1,500
Tracey Bell	-	-
Neil Edwards	-	-
John Fletcher	-	-
Kyle Duffield	-	-

There was no movement in key management personnel shareholdings during the year. Each share held has a paid up value of $1 and is fully paid.

(e) Other key management transactions

There has been no other transactions involving equity instruments other than those described above.

18. Events after the reporting period

There have been no events after the end of the financial year that would materially affect the financial statements.

19. Contingent liabilities and assets

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

20. Operating segments

The Company operates in the financial services sector where it provides banking services to its clients. The Company operates in one geographic area being Freycinet Coast, Tasmania. The Company has a franchise agreement with Bendigo & Adelaide Bank Limited who account for 100% of the revenue (2014 100%).

21. Leases

Operating lease commitments

Non-cancellable operating leases contracted for but not capitalised in the Statement of Financial Position

	2015 $	2014 $
Payable - minimum lease payments		
- no later than 12 months	59,998	59,998
- between 12 months and 5 years	104,996	164,994
	164,994	**224,992**

The lease is a non-cancellable lease with a 5 year term, with an optional 3 year term, with rent payable monthly in advance.

22. Company details

The registered office is: Shop 3/64 Burgess Street Bicheno, TAS 7215

The principal places of business are: Shop 1/1 Victoria Street, Swansea Shop 1/64 Burgess Street, Bicheno

23. Earnings per share

Basic earnings per share amounts are calculated by dividing profit / (loss) after income tax by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing profit / (loss) after income tax by the weighted average number of ordinary shares outstanding during the year (adjusted for the effects of any dilutive options or preference shares). There were no options or preference shares on issue during the year.

The following reflects the income and share data used in the basic and diluted earnings per share computations.

	2015 $	2014 $
Profit/(loss) after income tax expense	1,621	(234,491)
Weighted average number of ordinary shares for basic and diluted earnings per share	1,171,615	1,171,615

24. Dividends paid or provided for on ordinary shares

No dividends were paid or proposed by the Company during the period.

25. Financial risk management

The Company's financial instruments consist mainly of deposits with banks, account receivables and payables and loans. The totals for each category of financial instruments measured in accordance with *AASB 139 Financial Instruments: Recognition and Measurement* as detailed in the accounting policies are as follows:

	Note	2015 $	2014 $
Financial Assets			
Cash & cash equivalents	6	45,499	48,263
Investments and other financial assets	7	124,262	71,800
Trade and other receivables	8	61,385	56,110
Total Financial Assets		**231,146**	**176,173**
Financial Liabilities			
Trade and other payables	11	40,701	39,729
Borrowings	12	18,624	24,285
Total Financial Liabilities		**59,325**	**64,014**

Financial Risk Management Policies

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board has established an Audit Committee which reports regularly to the Board.

Specific financial risk exposure and management

The main risks the Company is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk and other price risk. There have been no substantial changes in the types of risks the Company is exposed to, how the risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

Financial Risk Management Policies (continued)

(a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Company.

Credit risk is managed through maintaining procedures ensuring, to the extent possible, that clients and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Credit terms for normal fee income are generally 30 days from the date of invoice. For fees with longer settlements, terms are specified in the individual client contracts. In the case of loans advanced, the terms are specific to each loan.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying amount and classification of those financial assets as presented in the statement of financial position.

The Company has no significant concentrations of credit risk with Bendigo and Adelaide Bank Limited. The Company's exposure to credit risk is limited to Australia by geographic area.

None of the assets of the Company are past due (2014: nil past due) and based on historic default rates, the Company believes that no impairment allowance is necessary in respect of assets not past due.

The Company limits its exposure to credit risk by only investing in liquid securities with Bendigo and Adelaide Bank Limited and therefore credit risk is considered minimal.

	2015 $	2014 $
Cash and cash equivalents:		
Cash and cash equivalents A rated	45,499	48,263
Investments and other financial assets	124,262	71,800
	169,761	**120,063**

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company ensures it will have enough liquidity to meet its liabilities when due under both normal and stressed conditions. Liquidity management is carried out within the guidelines set by the Board.

Typically, the Company maintains sufficient cash on hand to meet expected operational expenses, including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The table below reflects an undiscounted contractual maturity analysis for financial liabilities.

Cash flows realised from financial assets reflect the Board's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward.

(b) Liquidity risk (continued)

Financial liability and financial asset maturity analysis:

30 June 2015	Note	Total $	Within 1 year $	1 to 5 years $	Over 5 years $
Financial Liabilities due					
Trade and other payables	**11**	40,701	40,701	-	-
Loans and borrowings	**12**	18,624	6,015	12,609	-
Total expected outflows		**59,325**	**46,716**	**12,609**	**-**
Financial Assets - cash flows realisable					
Cash & cash equivalents	**6**	45,499	45,499	-	-
Investments and other financial assets	**7**	124,262	124,262	-	-
Trade and other receivables	**8**	61,385	61,385	-	-
Total anticipated inflows		**231,146**	**231,146**	**-**	**-**
Net (Outflow)/Inflow on financial instruments		**171,821**	**184,430**	**(12,609)**	**-**

30 June 2014	Note	Total $	Within 1 year $	1 to 5 years $	Over 5 years $
Financial Liabilities due					
Trade and other payables	**11**	39,729	39,729	-	-
Loans and borrowings	**12**	24,285	5,661	18,624	-
Total expected outflows		**64,014**	**45,390**	**18,624**	**-**
Financial Assets - cash flows realisable					
Cash & cash equivalents	**6**	48,263	48,263	-	-
Investments and other financial assets	**7**	71,800	71,800	-	-
Trade and other receivables	**8**	56,110	56,110	-	-
Total anticipated inflows		**176,173**	**176,173**	**-**	**-**
Net (Outflow)/Inflow on financial instruments		**112,159**	**130,783**	**(18,624)**	**-**

(c) Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

The financial instruments that primarily expose the Company to interest rate risk are borrowings, fixed interest securities, and cash and cash equivalents.

Sensitivity analysis

The following table illustrates sensitivities to the Company's exposures to changes in interest rates and equity prices. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

Year ended 30 June 2015	Profit $	Equity $
+/- 1% in interest rates (interest income)	1,242	1,242
	1,242	**1,242**
Year ended 30 June 2014		
+/- 1% in interest rates (interest income)	718	718
	718	**718**

(c) Market risk (continued)

There have been no changes in any of the methods or assumptions used to prepare the above sensitivity analysis from the prior year.

The Company has no exposure to fluctuations in foreign currency.

(d) Price risk

The Company is not exposed to any material price risk.

Fair values

Fair value estimation - The fair values of financial assets and liabilities are presented in the following table and can be compared to their carrying amounts as presented in the statement of financial position.

Differences between fair values and the carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied to the market since their initial recognition by the Company.

	Note	2015 $		2014 $	
	Note	Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets					
Cash & cash equivalents (i)	6	45,499	169,761	120,063	120,063
Investments and other financial assets	7	124,262	124,262	71,800	71,800
Trade and other receivables	8	61,385	61,385	56,110	56,110
Total Financial Assets		**231,146**	**355,408**	**176,173**	**176,173**
Financial Liabilities					
Trade and other payables (i)	11	40,701	40,633	39,729	39,729
Borrowings	12	18,624	18,624	24,285	24,285
Total Financial Liabilities		**59,325**	**59,257**	**64,014**	**64,014**

(i) Cash and cash equivalents, investments and other financial assets, trade and other receivables, and trade and other payables are short-term instruments in nature whose carrying amounts are equivalent to their fair values.

Directors Declaration

In accordance with a resolution of the Directors of Freycinet Coast Financial Services Limited, the Directors of the Company declare that:

1 The financial statements and notes, as set out on pages 6 to 31 are in accordance with the Corporations Act 2001 and

(i) ccomply with Australian Accounting Standards, which as stated in accounting policy Note 1(a) to the financial statements constitutes compliance with International Financial Reporting Standards (IFRS); and

(ii) give a true and fair view of the Company's financial position as at 30 June 2015 and of the performance for the year ended on that date;

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 resolution is made in accordance with a resolution of the Board of Directors.

Jennifer Logie
Director

Signed at Bicheno on 11 September 2015.

Independent audit report

Richmond Sinnott & Delahunty
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FREYCINET COAST FINANCIAL SERVICES LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Freycinet Coast Financial Services Limited, which comprises the statement of financial position as at 30 June 2015, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the company.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards (IFRS).

Auditor's Responsibility

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

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

Richmond Sinnott Delahunty Pty Ltd
ABN 60 616 244 309
Liability limited by a scheme approved under Professional Standards Legislation

Partners:
Kathie Teasdale
David Richmond
Philip Delahunty
Cara Hall
Brett Andrews

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 Freycinet Coast Financial Services Limited, would be in the same terms if provided to the directors as at the time of this auditor's report.

Auditor's Opinion

In our opinion:

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

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

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

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

RICHMOND SINNOTT & DELAHUNTY
Chartered Accountants

P. P. DELAHUNTY
Partner

Dated at Bendigo, 14th September 2015

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GSB Council Chambers
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