Annual Report 2015

Gingin Districts Community Financial Services Ltd

ABN 98 095 382 193

Gingin **Community Bank**® Branch
Lancelin branch

Contents

Chairman's report

For year ending 30 June 2015

Gingin Districts Community Financial Services Limited during the year traded at a record high for any shares in the 300+ Bendigo Bank **Community Bank**® companies across Australia.

The Board believes this is testament to the strength of your company and a result of the terrific banking business and support our two branches get from our shareholders and the wider community.

It also reflects the strong management provided by passionate and dedicated staff led by Senior Manager Stephen Fidge, and Branch Managers, Christian Kelly and Michelle Watt.

Gingin Districts Community Financial Services Limited has a strong Balance Sheet and adequate retained earnings of $617,838 at 30 June 2015 ($615,768 – 30 Jun 2014) and as a result the Board has elected to post a reduced net profit of $94,712 ($179,592 – 30 June 2014) by contributing $170,000 to the Community Enterprise Foundation™. The funds set aside in the Foundation will be available for community projects over the coming years and add to the $1.943 million already invested into many groups, organisations and major infrastructure across the shire. Our scholarship program which is currently supporting two of our youth to attend university to further their education is an initiative that we, customers and shareholders alike, should all be very proud of.

Your Board is proud and pleased to again declare a 21c fully franked dividend for the year ended 30 June 2015 (21c for year ended 30 June 2014). As you can see this takes the total dividend payout to $1.78 well in excess of the $1 original issue price.

Dividend payments to date		
Financial Year	**Cents per share**	**Total distribution per share**
2003/04	.07c	0.07
2004/05	.08c	0.15
2005/06	.09c	0.24
2006/07	.12c	0.36
2007/08	.12c	0.48
2008/09	.15c	0.63
2009/10	.16c	0.79
2010/11	.18c	0.97
2011/12	.19c	1.16
2012/13	.20c	1.36
2013/14	.21c	1.57
2014/15	.21c	1.78

The Board advises that in line with the recently adopted dividend policy and in order to fairly balance shareholder returns with community returns, we will endeavor to return a greater share of profit to community projects, thus reducing future posted net profits. This will limit our ability to increase the declared dividend beyond current levels for possibly the next three years to 30 June 2018. We will endeavor to maintain a 21 cent dividend but beyond that, profits will be returned to the wider community and the benefit of all.

Chairman's report (continued)

Looking forward, trading conditions continue to be challenging, and from 30 June 2016 we will be using a new model called Funds Transfer Pricing (FTP) to more accurately determine the profit split on different products between Bendigo and Adelaide Bank Limited and our **Community Bank**® branch. Early modelling showed it may have a negative effect on our bottom line but recent modelling is showing a positive effect. Either way, with community support we intend to keep growing the business and continue to make Gingin, Lancelin and the adjoining districts a better place to live.

I particularly thank my fellow Directors for their volunteered time, effort and due diligence. I sincerely thank Linda Balcombe, the Board's Executive Officer for her support. It is a pleasure working with such a strong team and I can assure you your company is in good hands.

Remember "Bank with your **Community Bank**® branch and your community will benefit".

David Roe
Chairman

Senior Manager's report

For year ending 30 June 2015

I am proud to report that your business has performed strongly over the last 12 months and whilst we did not reach the growth levels of our early years it is a sound performance in a challenging business environment.

The business achieved net growth of 5.84% growing from footings of $180 million as at 1 July 2014 to $190.5 million as at 30 June 2015, and whilst we did not get to $200 million total footing mark, the management team and staff are working hard to achieve this at some point during the 2015/16 financial year.

The key to our business success is the people that we employ, the strong strategic direction and support the Board provides as well as the support that we receive from our communities and customers. Without the support of our customers we would not have been able to contribute in excess of $1.9 million back into our local communities.

Following a number of years of staff changes, 2014/15 has been a stable year for us which has given us the opportunity to up skill our existing staff members. I would like to take this opportunity to thank all staff for their hard work, and would like to acknowledge the work of Lancelin Manager Michelle Watt and her team, Gingin Manager Christian Kelly along with his team, and the great community engagement and strong work ethic of our Board and Community Officer, Linda Balcombe. Without our people the business would not have achieved the success that it has. The work of our staff was recently acknowledged by the Bendigo and Adelaide Bank team in WA by presenting us with the WA inaugural 'Community Engagement Award'. This award recognises the work our people do engaging with our local communities.

I have now been with the business for 10 years and whilst change has been constant the one thing that has remained the same is the passion of our Directors for the business and the communities in which they live. I would like to thank David Roe and his fellow Directors for the strong support they provide to the staff and management team.

The business is well positioned to make the most of opportunities as they present and I am looking forward to a continued solid performance over the upcoming financial year.

Senior Branch Manager

Bendigo and Adelaide Bank 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.

Bendigo and Adelaide Bank report (continued)

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

For the financial year ended 30 June 2015

Your directors submit the financial statements of the company for the financial year ended 30 June 2015.

Directors

The names and details of the company's directors who held office during or since the end of the financial year:

David William Roe
Chairman
Occupation: Primary Producer
Qualifications, experience and expertise: Thirty years in family farming business. Past Chairman Gingin Districts Recreation Group and the Angus Society of Australia (WA Committee). Past Treasurer Gingin Districts Football Club and Gingin Districts Cricket Club. Gingin Shire Councillor since 2005.
Special responsibilities: Finance and Audit Committee
Interest in shares: 6,001

Thomas Cesare Cabassi
Director
Occupation: Real Estate Agent/Farmer
Qualifications, experience and expertise: Certificate Four in Real Estate Management 50513. Past Chairman GDCFSL. Chairman of Steering Committee in forming Gingin **Community Bank**. Lifelong involvement in the Beef Cattle industry. President Gingin bowling club. President Moore Districts bowling league. Past President of Gingin District High School P and C. Past President of Southerners Football Club. Involvement in executive committee's basketball, football, Junior farmer, Warren Districts Agricultural show, Pemberton Country Club.
Special responsibilities: Human Resources, Business Development, Sponsorhip & Grant, Finance & Audit Committees.
Interest in shares: 4,301

Ronald Owen Pollard
Director
Occupation: Retired
Qualifications, experience and expertise: Held Senior positions and served 28 years on the Beekeepers Section of Western Australian Farmers Federation. Served 21 years on the Board of Wescobee Ltd. Current Secretary-Treasurer of the Gingin Men's Shed Inc.
Special responsibilities: Member of the Due Diligence & Business Development Sub-Committees of GDCFSL Ltd.
Interest in shares: 10,301

Robert William Kestel
Director
Occupation: Farmer
Qualifications, experience and expertise: Associate Diploma in Rural Technology, 2008 Nuffield Scholar, past Nuffield Australia Director, Vice President Gingin Football Club, President Gingin Recreation Group, Vice President West Australian Broiler Growers Association, Deputy Director Australian Chicken Growers Council Ltd and Gingin Shire Councillor.
Special responsibilities: Sponsorship & Grant, Trainee/Scholarship Committee.
Interest in shares: 1,001

Directors (continued)

Stephen James Beckwith
Director
Occupation: Operations Manager and Primary Producer
Qualifications, experience and expertise: Bachelor of Business (First Class Honours). 15 years experience in WA Horticultural industry in a managerial role and currently Farm Manager of Costa Berry Exchange Western Australia. Past President (2 years) of the Gingin Football Club, Past Treasurer (5 years) of the Gingin Bowling Club, current Chair of the Gingin Districts High School Council and Fire Control Officer of the Beermullah Volunteer Bush Fire Brigade.
Special responsibilities: Current Vice Chairperson and Treasurer of GDCFSL, Member of the Financial, Due Diligence and Sponsorship and Grants Committees.
Interest in shares: 2,000

Irene Betty Neville
Director
Occupation: Primary Producer
Qualifications, experience and expertise: Lifetime involvement in Farming & Agriculture. Registered Nurse for 20 years with Community Focus. Member of local St John's ambulance for 8 years. Active member of various other community groups
Special responsibilities: Company Secretary, Human Resources, Due diligence, Trainee/Scholarship , Finance and Audit Committees
Interest in shares: 5,000

Malcolm Robert Harrington
Director
Occupation: Self employed retail sales
Qualifications, experience and expertise: College education to year 10. Agriculture school Cunderdin 2 years. Farmer 1982 to 1990. In the years 1981 to 1986 Councillor Shire Wongan Hills. Various committees along with chairman soil conservation district number of years. Chairman/Secretary at various times to community groups. Active member of P&C. Heavy Haulage and earthmoving contractor. Private pilots licence. Left farming in 1990 moved to Ledge Point set up hardware retail business & purchased existing general store for 7 years, then sold the general store. Administrator of Ledge Point Country Club for 7 years. Undertook training to become a Justice of the Peace, still holding that office. Chairman & foundation member of the Ledge Point Golf Club.
Special responsibilities: Sponsorship & Grants, Business Development, Human Resources Committees.
Interest in shares: 1,000

Elle Armitage
Director (Appointed 12 March 2015)
Occupation: Home Duties
Qualifications, experience and expertise: CSS Employed by the GDCFSL from 2007 until March 2015 (inclusive of Maternity Leave). Currently Fundraising and Social Co-Ordinator of the Lancelin Ledge Point FC (since 2007). Volunteer Ambulance officer & Ambulance admin 2010 - 2012. Currently Lancelin Cricket Club Treasurer & Secretary (since 2011). Lancelin Ledge Point Netball Association Treasurer 2013.
Special responsibilities: Human Resources, Sponsorship & Grants, Scholarship & Traineeship Committees.
Interest in shares: 100

Directors (continued)

Anthony Robert Colotti
Director (Appointed 31 March 2015)
Occupation: Primary Producer
Qualifications, experience and expertise: Cert III in Horticultural studies. Director of Brookrise Fresh Produce. Involved in Gingin Football Club, Gingin Bowling Club and Yachep Surf Lifesaving Club. Donations & Sponsorship to many community events and organisations.
Special responsibilities: Human Resources, Sponsorship & Grants and Business Development Committee.
Interest in shares: Nil

Wendy Lynette Harris
Director (Appointed 31 March 2015)
Occupation: Manager Regional Development
Qualifications, experience and expertise: Wendy Harris (MBA, GAICD) is the Manager of Regional Development at the Eastern Metropolitan Regional Council in Western Australia and was previously an Executive Manager at Keystart Home Loans. Her skills and expertise cover the areas of strategic, business and workforce planning, risk management and marketing. Wendy is also a partner in a family farming operating in the Shire of Gingin involved in the production of prime lamb and beef and is passionate about the sustainability and health of rural communities.
Special responsibilities: Business Development, Due Diligence & Audit and Finance Committee
Interest in shares: 200

Maxwell Norman Fewster
Director (Resigned 26 November 2014)
Occupation: Primary Producer
Qualifications, experience and expertise: Involved in the agricultural industry since 1956 initially in beekeeping and in latest years also running a property breeding beef cattle.
Special responsibilities: Nil
Interest in shares: 6,301

Jody Nicole Bondini
Director (Resigned 26 November 2014)
Occupation: Business Manager/Owner
Qualifications, experience and expertise: Secretary of Indoor Sports WA. Past treasurer of Lancelin Primary P&C. Previously a Lancelin Chamber of Commerce committee member. Past Secretary of Lancelin Golf Club.
Special responsibilities: Nil
Interest in shares: 1,001

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

No directors have material interests in contracts or proposed contracts with the company.

Company Secretary

The Company Secretary is Irene Neville. Irene was appointed to the position of Secretary on 26 November 2014 after the resignation of Jody Bondini.

Irene has a lifetime involvement in Farming & Agriculture. Registered Nurse for 20 years with Community Focus. Member of local St John's ambulance for 8 years. Active member of various other community groups.

Directors' report (continued)

Principal Activities

The principal activities of the company during the financial year were facilitating **Community Bank®** services under management rights to operate franchised branches of Bendigo and Adelaide Bank Limited.

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

Operating results

Operations have continued to perform in line with expectations. The profit of the company for the financial year after provision for income tax was:

Year ended 30 June 2015 $	Year ended 30 June 2014 $
94,712	179,592

Remuneration report

Directors' shareholdings

	Balance at start of the year	Changes during the year	Balance at end of the year
David William Roe	6,001	-	6,001
Stephen James Beckwith	2,000	-	2,000
Irene Betty Neville	5,000	-	5,000
Thomas Cesare Cabassi	4,301	-	4,301
Ronald Owen Pollard	10,301	-	10,301
Robert William Kestel	1,001	-	1,001
Malcolm Robert Harrington	1,000	-	1,000
Elle Armitage (Appointed 12 March 2015)	100		100
Anthony Robert Colotti (Appointed 31 March 2015)	-	-	-
Wendy Lynette Harris (Appointed 31 March 2015)	200	-	200
Maxwell Norman Fewster (Resigned 25 November 2014)	6,301	-	6,301
Jody Nicole Bondini (Resigned 25 November 2014)	1,001	-	1,001

Community Bank® Directors' Privileges Package

The board has adopted the **Community Bank®** Directors' Privileges Package. The package is available to all directors, who can elect to avail themselves of the benefits based on their personal banking with the **Community Bank®** branches at Gingin and Lancelin. There is no requirement to own BEN shares and there is no qualification period to qualify to utilise the benefits. The package mirrors the benefits currently available to Bendigo and Adelaide Bank Limited shareholders. The total benefits received by the directors from the Directors' Privilege Package are $50 for the year ended 30 June 2015 (2014: $nil).

Dividends

	Year ended 30 June 2015	
	Cents	$
Dividends paid in the year	21	92,642

Significant changes in the state of affairs

In the opinion of the directors there were no significant changes in the state of affairs of the company that occurred during the financial year under review not otherwise disclosed in this report or the financial statements.

Events since the end of the financial year

There are no matters or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the company the results of those operations or the state of affairs of the company, in future years.

Likely developments

The company will continue its policy of facilitating banking services to the community.

Environmental regulation

The company is not subject to any significant environmental regulation.

Indemnification and insurance of directors and officers

The company has indemnified all directors and the managers in respect of liabilities to other persons (other than the company or related body corporate) that may arise from their position as directors or manager of the company except where the liability arises out of conduct involving the lack of good faith.

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 or a related body corporate.

Directors' meetings

The number of directors' meetings attended by each of the directors of the company during the year were:

	Board Meetings Attended		Committee Meetings Attended					
			Audit		Sponsorship		Human Resources	
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
David William Roe	11	11	2	2	11	11	2	1
Stephen James Beckwith	11	11	2	2	11	11	-	-
Irene Betty Neville	11	10	2	2	-	-	2	2
Thomas Cesare Cabassi	11	10	2	1	11	11	2	2
Ronald Owen Pollard	11	8	-	-	-	-	-	-
Robert William Kestel	11	9	-	-	11	9	-	-

Directors' meetings (continued)

	Board Meetings Attended		Committee Meetings Attended					
			Audit		Sponsorship		Human Resources	
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
Malcolm Robert Harrington	11	10	-	-	11	10	2	2
Elle Armitage (Appointed 12 March 2015)	3	3	-	-	1	1	-	-
Anthony Robert Colotti (Appointed 31 March 2015)	3	3	-	-	1	1	-	-
Wendy Lynette Harris (Appointed 31 March 2015)	3	2	1	-	-	-	-	-
Maxwell Norman Fewster (Resigned 25 November 2014)	5	4	-	-	5	5	-	-
Jody Nicole Bondini (Resigned 25 November 2014)	5	3	-	-	5	5	1	1

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to 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 part of those proceedings.

No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 237 of the Corporations Act 2001.

Non audit services

The company may decide to employ the auditor on assignments additional to their statutory duties where the auditor's expertise and experience with the company are important. Details of the amounts paid or payable to the auditor (Andrew Frewin Stewart) for audit and non audit services provided during the year are set out in the notes to the accounts.

The board of directors has considered the position, in accordance with the advice received from the audit committee and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are satisfied that the provision of non-audit services by the auditor, as set out in the notes did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed by the audit committee to ensure they do not impact on the impartiality and objectivity of the auditor
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, including reviewing or auditing the auditor's own work, acting in a management or a decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risk and rewards.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 14.

Signed in accordance with a resolution of the board of directors at Gingin, Western Australia on 27 August 2015.

David William Roe,
Chairman

Auditor’s independence declaration

AFS
Partners in success
Chartered Accountants

Lead auditor’s independence declaration under section 307C of the *Corporations Act 2001* to the directors of Gingin Districts Community Financial Services Limited

As lead auditor for the audit of Gingin Districts Community Financial Services Limited for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been:

i) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Andrew Frewin Stewart
61 Bull Street, Bendigo Vic 3550

David Hutchings
Lead Auditor

Dated: 27 August 2015

Financial statements

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

	Note	2015 $	2014 $
Revenue from ordinary activities	4	1,669,166	1,703,480
Employee benefits expense		(869,168)	(793,158)
Charitable donations, sponsorship, advertising and promotion		(293,138)	(267,091)
Occupancy and associated costs		(86,817)	(92,099)
Systems costs		(39,210)	(39,135)
Depreciation and amortisation expense	5	(56,047)	(48,052)
Finance costs	5	-	(11)
General administration expenses		(184,329)	(205,437)
Profit before income tax expense		**140,457**	**258,497**
Income tax expense	6	(45,745)	(78,905)
Profit after income tax expense		**94,712**	**179,592**
Total comprehensive income for the year		**94,712**	**179,592**
Earnings per share for profit attributable to the ordinary shareholders of the company:		**¢**	**¢**
Basic earnings per share	22	21.47	40.71

The accompanying notes form part of these financial statements.

Balance Sheet
as at 30 June 2015

	Note	2015 $	2014 $
ASSETS			
Current Assets			
Cash and cash equivalents	7	685,670	686,246
Trade and other receivables	8	134,137	174,888
Current tax asset	11	16,606	-
Total Current Assets		**836,413**	**861,134**
Non-Current Assets			
Property, plant and equipment	9	127,282	123,022
Investment Property	17	200,001	200,001
Intangible assets	10	21,507	45,390
Deferred tax asset	11	28,618	28,050
Total Non-Current Assets		**377,408**	**396,463**
Total Assets		**1,213,821**	**1,257,597**
LIABILITIES			
Current Liabilities			
Trade and other payables	12	56,979	92,089
Current tax liabilities	11	-	20,423
Provisions	13	80,595	64,369
Total Current Liabilities		**137,574**	**176,881**
Non-Current Liabilities			
Provisions	13	17,259	23,798
Total Non-Current Liabilities		**17,259**	**23,798**
Total Liabilities		**154,833**	**200,679**
Net Assets		**1,058,988**	**1,056,918**
Equity			
Issued capital	14	441,150	441,150
Retained earnings	15	617,838	615,768
Total Equity		**1,058,988**	**1,056,918**

The accompanying notes form part of these financial statements.

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

	Issued capital $	Retained earnings $	Total equity $
Balance at 1 July 2013	**441,150**	**524,406**	**965,556**
Total comprehensive income for the year	**-**	**179,592**	**179,592**
Transactions with owners in their capacity as owners:			
Shares issued during period	-	-	-
Costs of issuing shares	-	-	-
Dividends provided for or paid	-	(88,230)	(88,230)
Balance at 30 June 2014	**441,150**	**615,768**	**1,056,918**
Balance at 1 July 2014	**441,150**	**615,768**	**1,056,918**
Total comprehensive income for the year	**-**	**94,712**	**94,712**
Transactions with owners in their capacity as owners:			
Shares issued during period	-	-	-
Costs of issuing shares	-	-	-
Dividends provided for or paid	-	(92,642)	(92,642)
Balance at 30 June 2015	**441,150**	**617,838**	**1,058,988**

The accompanying notes form part of these financial statements.

Statement of Cash Flows
for the year ended 30 June 2015

	Note	2015 $	2014 $
Cash flows from operating activities			
Receipts from customers		1,831,668	1,680,431
Payments to suppliers and employees		(1,640,190)	(1,379,534)
Interest received		20,354	16,874
Interest paid		-	(11)
Income taxes paid		(83,342)	(62,533)
Net cash provided by operating activities	**16**	**128,490**	**255,227**
Cash flows from investing activities			
Payments for property, plant and equipment		(36,424)	(1,726)
Net cash provided by/(used in) investing activities		**(36,424)**	**(1,726)**
Cash flows from financing activities			
Dividends paid		(92,642)	(83,530)
Net cash provided by/(used in) financing activities		**(92,642)**	**(83,530)**
Net increase/(decrease) in cash held		**(576)**	**169,971**
Cash and cash equivalents at the beginning of the financial year		686,246	516,275
Cash and cash equivalents at the end of the financial year	**7(a)**	**685,670**	**686,246**

The accompanying notes form part of these financial statements.

Notes to the financial statements

For year ended 30 June 2015

Note 1. Summary of significant accounting policies

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 financial statements.

Compliance with IFRS

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

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. These areas involving a higher degree of judgement or complexities, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

Historical cost convention

The financial statements have been prepared under the historical cost convention on an accruals basis as modified by the revaluation of financial assets and liabilities at fair value through profit or loss and where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

Comparative figures

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

Application of new and amended accounting standards

The following amendments to accounting standards and a new interpretation issued by the Australian Accounting Standards Board (AASB) became mandatorily effective for accounting periods beginning on or after 1 July 2014, and are therefore relevant for the current financial year.

- AASB 2012-3 Amendments to Australian Accounting Standards (AASB 132) – 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 (AASB 139) – Novation of Derivatives and Continuation of Hedge Accounting.
- AASB 2013-5 Amendments to Australian Accounting Standards (AASB 10) – Investment Entities.
- AASB 2014-1 Amendments to Australian Accounting Standards (Part A: Annual Improvements 2010-2012 and 2011-2013 Cycles).
- AASB 2014-1 Amendments to Australian Accounting Standards (Part B: Defined Benefit Plans: Employee Contributions Amendments to AASB 119).

Notes to the financial statements (continued)

Note 1. Summary of significant accounting policies (continued)

a) Basis of preparation (continued)

Application of new and amended accounting standards (continued)

- Interpretation 21 Levies.
- AASB 1031 Materiality, AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments (Part B: Materiality), AASB 2014-1 Amendments to Australian Accounting Standards (Part C: Materiality).

None of the amendments to accounting standards or the new interpretation issued by the Australian Accounting Standards Board (AASB) that became mandatorily effective for accounting periods beginning on or after 1 July 2014, materially affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods.

The following accounting standards and interpretations issued by the Australian Accounting Standards Board (AASB) become effective in future accounting periods.

	Effective for annual reporting periods beginning on or after
AASB 9 Financial Instruments, and the relevant amending standards.	1 January 2018
AASB 15 Revenue from Contracts with Customers and AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15.	1 January 2017
AASB 2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations.	1 January 2016
AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation.	1 January 2016
AASB 2014-6 Amendments to Australian Accounting Standards – Agriculture: Bearer Plants.	1 January 2016
AASB 2014-9 Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements.	1 January 2016
AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.	1 January 2016
AASB 2015-1 Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle.	1 January 2016
AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101.	1 January 2016
AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality.	1 July 2015
AASB 2015-4 Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australian Groups with a Foreign Parent.	1 July 2015
AASB 2015-5 Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception.	1 January 2016

Note 1. Summary of significant accounting policies (continued)

a) Basis of preparation (continued)

Application of new and amended accounting standards (continued)

The company has not elected to apply any accounting standards or interpretations before their mandatory operative date for the annual reporting period beginning 1 July 2014. Therefore the abovementioned accounting standards or interpretations have no impact on amounts recognised in the current period or any prior period.

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**® branches at Gingin, Western Australia.

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.

The company promotes and sells the products and services, but is not a party to the transaction.

The credit risk (i.e. the risk that a customer will not make repayments) is for the relevant Bendigo and Adelaide Bank Limited entity to bear as long as the company has complied with the appropriate procedures and relevant obligations and has not exercised a discretion in granting or extending credit.

Bendigo and Adelaide Bank Limited provides significant assistance in establishing and maintaining the **Community Bank**® branches 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**® branches
- training for the branch manager and other employees in banking, management systems and interface protocol
- methods and procedures for the sale of products and provision of services
- security and cash logistic controls
- calculation of company revenue and payment of many operating and administrative expenses
- the formulation and implementation of advertising and promotional programs
- sales techniques and proper customer relations.

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, unless otherwise stated.

Note 1. Summary of significant accounting policies (continued)

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

Over the period from September 2013 to February 2015, Bendigo and Adelaide Bank Limited conducted a review of the **Community Bank**® model, known as 'Project Horizon'. This was conducted in consultation with the **Community Bank**® network. The objective of the review was to develop a shared vision of the **Community Bank**® model that positions it for success now and for the future.

The outcome of that review is that the fundamental franchise model and community participation remain unchanged. Changes to be implemented over a three year period reflect a number of themes, including a culture of innovation, agility and flexibility, network collaboration, director and staff development and a sustainable financial model. This will include changes to the financial return for **Community Bank**® companies from 1 July 2016. A funds transfer pricing model will be used for the method of calculation of the cost of funds, deposit return and margin. All revenue paid on core banking products will be through margin share. Margin on core banking products will be shared on a 50/50 basis.

The franchise agreement provides that three forms of revenue may be earned by the company – margin, commission and fee income. Bendigo and Adelaide Bank Limited decides the form of revenue the company earns on different types of products and services.

The revenue earned by the company is dependent on the business that it generates. It may also be affected by other factors, such as economic and local conditions, for example, interest rates.

Core banking products

Bendigo and Adelaide Bank Limited has identified some Bendigo Bank Group products and services as 'core banking products'. It may change the products and services which are identified as core banking products by giving the company at least 30 days' notice. Core banking products currently include Bendigo Bank branded home loans, term deposits and at call deposits.

Margin

Margin is arrived at through the following calculation:

- Interest paid by customers on loans less interest paid to customers on deposits.
- plus any deposit returns i.e. interest return applied by Bendigo and Adelaide Bank Limited for a deposit,
- minus any costs of funds i.e. interest applied by Bendigo and Adelaide Bank Limited to fund a loan.

Note: In very simplified terms, currently, deposit return means the interest Bendigo and Adelaide Bank Limited gets when it invests the money the customer deposits with it. The cost of funds means the interest Bendigo and Adelaide Bank Limited pays when it borrows the money to give a customer a loan. From 1 July 2016, both will mean the cost for Bendigo and Adelaide Bank Limited to borrow the money in the market.

Products and services on which margin is paid include variable rate deposits and variable rate home loans. From 1 July 2016, examples include Bendigo Bank branded at call deposits, term deposits and home loans.

Notes to the financial statements (continued)

Note 1. Summary of significant accounting policies (continued)

b) Revenue (continued)

Margin (continued)

For those products and services on which margin is paid, the company is entitled to a share of the margin earned by Bendigo and Adelaide Bank Limited (i.e. income adjusted for Bendigo and Adelaide Bank Limited's interest expense and interest income return). However, if this reflects a loss, the company incurs a share of that loss.

Commission

Commission is a fee paid for products and services sold. It may be paid on the initial sale or on an ongoing basis. Commission is payable on the sale of an insurance product such as home contents. Examples of products and services on which ongoing commissions are paid include leasing and Sandhurst Trustees Limited products. This currently also includes Bendigo Bank branded fixed rate home loans and term deposits of more than 90 days, but these will become margin products from 1 July 2016.

Fee income

Fee income is a share of what is commonly referred to as 'bank fees and charges' charged to customers by Bendigo Bank Group entities including fees for loan applications and account transactions.

Ability to change financial return

Under the franchise agreement, Bendigo and Adelaide Bank Limited may change the form and amount of financial return that the company receives. The reasons it may make a change include changes in industry or economic conditions or changes in the way Bendigo and Adelaide Bank Limited earns revenue.

The change may be to the method of calculation of margin, the amount of margin, commission and fee income or a change of a margin to a commission or vice versa. This may affect the amount of revenue the company receives on a particular product or service. The effect of the change on the revenue earned by the company is entirely dependent on the change.

The change may be to the method of calculation of margin, the amount of margin, commission and fee income or a change of a margin to a commission or vice versa. This may affect the amount of revenue the company receives on a particular product or service. The effect of the change on the revenue earned by the company is entirely dependent on the change.

If Bendigo and Adelaide Bank Limited makes a change to the margin or commission on core banking products and services, it must not reduce the margin and commission the company receives on core banking products and services Bendigo and Adelaide Bank Limited attributes to the company to less than 50% (on an aggregate basis) of Bendigo and Adelaide Bank Limited's margin at that time. For other products and services, there is no restriction on the change Bendigo and Adelaide Bank Limited may make.

Bendigo and Adelaide Bank Limited must give the company 30 days' notice before it changes the products and services on which margin, commission or fee income is paid, the method of calculation of margin and the amount of margin, commission or fee income.

Monitoring and changing financial return

Bendigo and Adelaide Bank Limited monitors the distribution of financial return between **Community Bank®** companies and Bendigo and Adelaide Bank Limited on an ongoing basis.

Overall, Bendigo and Adelaide Bank Limited has made it clear that the **Community Bank®** model is based on the principle of shared reward for shared effort. In particular, in relation to core banking products and services, the aim is to achieve an equal share of Bendigo and Adelaide Bank Limited's margin.

Note 1. Summary of significant accounting policies (continued)

b) Revenue (continued)

Monitoring and changing financial return (continued)

As discussed above in relation to Project Horizon, among other things, there will be changes in the financial return for **Community Bank**® companies from 1 July 2016. This includes 50% share of margin on core banking products, all core banking products become margin products and a funds transfer pricing model will be used for the method of calculation of the cost of funds, deposit return and margin.

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. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

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 carrying amount of its assets and liabilities.

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 Profit or Loss and Other 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 of goodwill or excess.

Notes to the financial statements (continued)

Note 1. Summary of significant accounting policies (continued)

d) Employee entitlements

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

The company contributes to a defined contribution plan. Contributions to employee superannuation funds are charged against income as incurred.

e) 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.

f) 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.

g) Property, plant and equipment

Plant and equipment, leasehold improvements and equipment under finance lease are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land. Depreciation is calculated on a straight line basis so as to write off the net cost of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated at the rate equivalent to the available building allowance using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

The following estimated useful lives are used in the calculation of depreciation:

• leasehold improvements	40 years
• plant and equipment	2.5 - 40 years
• furniture and fittings	4 - 40 years

h) Intangibles

The franchise fee paid to Bendigo and Adelaide Bank Limited has been recorded at cost and is amortised on a straight line basis over the life of the franchise agreement.

The renewal processing fee paid to Bendigo and Adelaide Bank Limited when renewing the franchise agreement has also been recorded at cost and is amortised on a straight line basis over the life of the franchise agreement.

Note 1. Summary of significant accounting policies (continued)

i) Payment terms

Receivables and payables are non interest bearing and generally have payment terms of between 30 and 90 days.

j) Borrowings

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

k) Financial instruments

Recognition and initial measurement

Financial instruments, incorporating financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial instruments are initially measured at fair value plus transaction costs. Financial instruments are classified and measured as set out below.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires 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.

Classification and subsequent measurement

(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 using the effective interest rate method.

(ii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

(iii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with changes in such fair value (i.e. gains or losses) recognised in the Statement of Profit or Loss and Other Comprehensive Income. Available-for-sale financial assets are included in non-current assets except where they are expected to be sold within 12 months after the end of the reporting period. All other financial assets are classified as current assets.

(iv) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Note 1. Summary of significant accounting policies (continued)

k) Financial instruments (continued)

Impairment

At each reporting date, the entity assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

l) 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 recording 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 charged as expenses in the periods in which they are incurred. Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

m) Provisions

Provisions are recognised when the economic entity has a legal, equitable or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of past transactions of other past events, it is probable that a future sacrifice of economic benefits will be required and a reliable estimate can be made of the amount of the obligation.

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.

n) Contributed equity

Ordinary shares are 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.

o) Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

p) 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. Financial risk management

The company's activities expose it to a limited variety of financial risks: market risk (including currency risk, fair value interest risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the entity. The entity does not use derivative instruments.

Risk management is carried out directly by the board of directors.

(i) Market risk

The company has no exposure to any transactions denominated in a currency other than Australian dollars.

(ii) Price risk

The company is not exposed to equity securities price risk as it does not hold investments for sale or at fair value. The company is not exposed to commodity price risk.

(iii) Credit risk

The company has no significant concentrations of credit risk. It has policies in place to ensure that customers have an appropriate credit history. The company's franchise agreement limits the company's credit exposure to one financial institution, being Bendigo and Adelaide Bank Limited.

(iv) Liquidity risk

Prudent liquidity management implies maintaining sufficient cash and marketable securities and the availability of funding from credit facilities. The company believes that its sound relationship with Bendigo and Adelaide Bank Limited mitigates this risk significantly.

(v) Cash flow and fair value interest rate risk

Interest-bearing assets are held with Bendigo and Adelaide Bank Limited and subject to movements in market interest. Interest-rate risk could also arise from long-term borrowings. Borrowings issued at variable rates expose the company to cash flow interest-rate risk. The company believes that its sound relationship with Bendigo and Adelaide Bank Limited mitigates this risk significantly.

(vi) 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 Balance Sheet.

In accordance with the franchise agreement, in any 12 month period, the funds distributed to shareholders shall not exceed the distribution limit:

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 where 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%.

Note 2. Financial risk management (continued)

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 for the year ended 30 June 2015 can be seen in the Statement of Profit or Loss and Other Comprehensive Income.

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

Note 3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

Taxation

Judgement is required in assessing whether deferred tax assets and certain tax liabilities are recognised on the balance sheet. Deferred tax assets, including those arising from un-recouped tax losses, capital losses and temporary differences, are recognised only where it is considered more likely than not that they will be recovered, which is dependent on the generation of sufficient future taxable profits.

Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. These depend on estimates of future sales volumes, operating costs, capital expenditure, dividends and other capital management transactions. Judgements are also required about the application of income tax legislation.

These judgements and assumptions are subject to risk and uncertainty. There is therefore a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognised on the balance sheet and the amount of other tax losses and temporary differences not yet recognised. In such circumstances, some or all of the carrying amount of recognised deferred tax assets and liabilities may require adjustment, resulting in corresponding credit or charge to the Statement of Profit or Loss and Other Comprehensive Income.

Estimation of useful lives of assets

The estimation of the useful lives of assets has been based on historical experience and the condition of the asset is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

Note 3. Critical accounting estimates and judgements (continued)

Impairment of assets

At each reporting date, the company reviews the carrying amounts of its tangible and intangible assets that have an indefinite useful life to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

Fair value measurement

Some of the company's assets and liabilities are measured at fair value for financial reporting purposes. The board of directors determine the appropriate valuation techniques and inputs for fair value measurements.

Fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly
- Level 3 inputs are unobservable inputs for the asset or liability.

In estimating the fair value of an asset or a liability, the company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the company engages third party qualified valuers to perform the valuation.

Notes to the financial statements (continued)

	2015 $	2014 $

Note 4. Revenue from ordinary activities

Operating activities:		
- services commissions	1,645,095	1,682,864
Total revenue from operating activities	**1,645,095**	**1,682,864**
Non-operating activities:		
- interest received	20,354	18,717
- other revenue	3,717	1,899
Total revenue from non-operating activities	**24,071**	**20,616**
Total revenues from ordinary activities	**1,669,166**	**1,703,480**

Note 5. Expenses

Depreciation of non-current assets:		
- plant and equipment	5,655	2,873
- leasehold improvements	1,952	801
- motor vehicle	24,556	20,494
Amortisation of non-current assets:		
- franchise renewal fee	23,884	23,884
	56,047	**48,052**
Finance costs:		
- interest paid	-	11
Bad debts	**207**	**275**

Note 6. Income tax expense

The components of tax expense comprise:		
- Current tax	46,313	80,665
- Deferred Tax	-	(1,760)
- Movement in deferred tax	(2,074)	-
- Adjustment to deferred tax to reflect change to tax rate in future periods	1,506	-
	45,745	**78,905**

Notes to the financial statements (continued)

	2015 $	2014 $
Note 6. Income tax expense (continued)		
The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax expense as follows		
Operating profit	140,457	258,497
Prima facie tax on profit from ordinary activities at 30%	42,137	77,549
Add tax effect of:		
- non-deductible expenses	299	1,356
- timing difference expenses	3,877	-
	46,313	**78,905**
Movement in deferred tax	(2,074)	-
Adjustment to deferred tax to reflect change of tax rate in future periods	1,506	-
	45,745	**78,905**

Note 7. Cash and cash equivalents

Cash at bank and on hand	55,601	75,919
Term deposits	630,069	610,327
	685,670	**686,246**
Note 7.(a) Reconciliation to cash flow statement		
The above figures reconcile to the amount of cash shown in the statement of cash flows at the end of the financial year as follows:		
Cash at bank and on hand	55,601	75,919
Term deposits	630,069	610,327
	685,670	**686,246**

Note 8. Trade and other receivables

Trade receivables	121,496	161,759
Prepayments	10,736	11,073
Other receivables and accruals	1,905	2,056
	134,137	**174,888**

Note 9. Property, plant and equipment

	2015 $	2014 $
Leasehold improvements		
At cost	277,344	15,610
Less accumulated depreciation	(263,921)	(3,449)
	13,423	**12,161**
Plant and equipment		
At cost	78,378	338,396
Less accumulated depreciation	(51,518)	(304,391)
	26,860	**34,005**
Motor vehicles		
At cost	141,871	138,856
Less accumulated depreciation	(54,872)	(62,000)
	86,999	**76,856**
Total written down amount	**127,282**	**123,022**
Movements in carrying amounts:		
Leasehold improvements		
Carrying amount at beginning	12,161	13,777
Reclassification of asset class	3,205	-
Additions	-	-
Disposals	-	-
Less: depreciation expense	(1,943)	(1,616)
Carrying amount at end	**13,423**	**12,161**
Plant and equipment		
Carrying amount at beginning	34,005	39,129
Reclassification of asset class	(3,205)	-
Additions	1,715	1,726
Disposals	-	-
Less: depreciation expense	(5,655)	(6,850)
Carrying amount at end	**26,860**	**34,005**

Notes to the financial statements (continued)

	2015 $	2014 $
Note 9. Property, plant and equipment (continued)		
Motor vehicles		
Carrying amount at beginning	76,856	97,349
Additions	34,707	-
Disposals	(11,146)	-
Less: depreciation expense	(13,418)	(20,493)
Carrying amount at end	**86,999**	**76,856**
Total written down amount	**127,282**	**123,022**

Note 10. Intangible assets

	2015 $	2014 $
Franchise fee - Gingin		
At cost	50,000	50,000
Less: accumulated amortisation	(41,096)	(31,096)
	8,904	**18,904**
Franchise fee - Lancelin		
At cost	69,423	69,423
Less: accumulated amortisation	(56,820)	(42,937)
	12,603	**26,486**
Total written down amount	**21,507**	**45,390**

Note 11. Tax

	2015 $	2014 $
Current:		
Income tax payable/(refundable)	**(16,606)**	**20,423**
Non-Current:		
Deferred tax assets		
- accruals	1,272	3,736
- employee provisions	27,889	28,253
	29,161	**31,989**
Deferred tax liability		
- accruals	543	3,939
	543	**3,939**
Net deferred tax asset	**28,618**	**28,050**
Movement in deferred tax charged to Statement of Profit or Loss and Other Comprehensive Income	**(568)**	**-**

	2015 $	2014 $

Note 12. Trade and other payables

	2015 $	2014 $
Current:		
Trade creditors	14,024	39,794
Other creditors and accruals	42,955	52,295
	56,979	**92,089**

Note 13. Provisions

	2015 $	2014 $
Current:		
Provision for annual leave	50,070	44,209
Provision for long service leave	30,525	20,160
	80,595	**64,369**
Non-Current:		
Provision for long service leave	**17,259**	**23,798**

Note 14. Contributed equity

	2015 $	2014 $
441,150 ordinary shares fully paid (2014: 441,150)	**441,150**	**441,150**

Rights attached to shares

(a) Voting rights

Subject to some limited exceptions, each member has the right to vote at a general meeting.

On a show of hands or a poll, each member attending the meeting (whether they are attending the meeting in person or by attorney, corporate representative or proxy) has one vote, regardless of the number of shares held. However, where a person attends a meeting in person and is entitled to vote in more than one capacity (for example, the person is a member and has also been appointed as proxy for another member) that person may only exercise one vote on a show of hands. On a poll, that person may exercise one vote as a member and one vote for each other member that person represents as duly appointed attorney, corporate representative or proxy.

The purpose of giving each member only one vote, regardless of the number of shares held, is to reflect the nature of the company as a community based company, by providing that all members of the community who have contributed to the establishment and ongoing operation of the **Community Bank**® branch have the same ability to influence the operation of the company.

(b) Dividends

Generally, dividends are payable to members in proportion to the amount of the share capital paid up on the shares held by them, subject to any special rights and restrictions for the time being attaching to shares. The franchise agreement with Bendigo and Adelaide Bank Limited contains a limit on the level of profits or funds that may be distributed to shareholders. There is also a restriction on the payment of dividends to certain shareholders if they have a prohibited shareholding interest (see below).

Note 14. Contributed equity (continued)

Rights attached to shares (continued)

(c) Transfer

Generally, ordinary shares are freely transferable. However, the directors have a discretion to refuse to register a transfer of shares.

Subject to the foregoing, shareholders may transfer shares by a proper transfer effected in accordance with the company's constitution and the Corporations Act 2001.

Prohibited shareholding interest

A person must not have a prohibited shareholding interest in the company.

In summary, a person has a prohibited shareholding interest if they control or own 10% or more of the shares in the company (the "10% limit").

As with voting rights, the purpose of this prohibited shareholding provision is to reflect the community-based nature of the company.

Where a person has a prohibited shareholding interest, the voting and dividend rights attaching to the shares in which the person (and his or her associates) have a prohibited shareholding interest, are suspended.

The board has the power to request information from a person who has (or is suspected by the board of having) a legal or beneficial interest in any shares in the company or any voting power in the company, for the purpose of determining whether a person has a prohibited shareholding interest. If the board becomes aware that a member has a prohibited shareholding interest, it must serve a notice requiring the member (or the member's associate) to dispose of the number of shares the board considers necessary to remedy the breach. If a person fails to comply with such a notice within a specified period (that must be between three and six months), the board is authorised to sell the specified shares on behalf of that person. The holder will be entitled to the consideration from the sale of the shares, less any expenses incurred by the board in selling or otherwise dealing with those shares.

In the constitution, members acknowledge and recognise that the exercise of the powers given to the board may cause considerable disadvantage to individual members, but that such a result may be necessary to enforce the prohibition.

	2015 $	2014 $
Note 15. Retained earnings		
Balance at the beginning of the financial year	615,768	524,406
Net profit from ordinary activities after income tax	94,712	179,592
Dividends paid or provided for	(92,642)	(88,230)
Balance at the end of the financial year	**617,838**	**615,768**

Note 16. Statement of cash flows

Reconciliation of profit from ordinary activities after tax to net cash provided by operating activities

	2015 $	2014 $
Profit from ordinary activities after income tax	94,712	179,592
Non cash items:		
- depreciation	32,163	24,168
- amortisation	23,884	23,884
Changes in assets and liabilities:		
- (increase)/decrease in receivables	40,751	(4,332)
- (increase)/decrease in other assets	(17,174)	(1,933)
- increase/(decrease) in payables	(35,110)	6,193
- increase/(decrease) in provisions	9,687	11,283
- increase/(decrease) in current tax liabilities	(20,423)	16,372
Net cash flows provided by operating activities	**128,490**	**255,227**

Note 17. Fair value measurement

This section explains the judgements and estimates made in determining the fair values of the company's assets that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the applicable assets have been classified into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

At 30 June 2015	Level 1 $	Level 2 $	Level 3 $	Total $
Recurring fair value measurements:				
Available-for-sale financial assets				
Listed investments:				
- shares in listed corporations	-	-	-	-
Unlisted investments:				
- shares in other corporations	-	-	-	-
	-	**-**	**-**	**-**
Property, Plant and Equipment				
Freehold land	-	-	-	-
Buildings	-	200,001	-	200,001
Plant and equipment	-	-	-	-
	-	**200,001**	**-**	**200,001**
Total assets at fair value	**-**	**200,001**	**-**	**200,001**

Note 17. Fair value measurement (continued)

At 30 June 2014	Level 1 $	Level 2 $	Level 3 $	Total $
Recurring fair value measurements:				
Available-for-sale financial assets				
Listed investments:				
- shares in listed corporations	-	-	-	-
Unlisted investments:				
- shares in other corporations	-	-	-	-
	-	**-**	**-**	**-**
Property, Plant and Equipment				
Freehold land	-	-	-	-
Buildings	-	200,001	-	200,001
Plant and equipment	-	-	-	-
	-	**200,001**	**-**	**200,001**
Total assets at fair value	**-**	**200,001**	**-**	**200,001**

There were no transfers between Level 1 and Level 2 during the reporting period. The company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of available-for-sale financial assets traded in active markets is based on the quoted market price at the close of business at the end of the reporting period.

Level 2: The fair value of property, plant and equipment is based on a valuation performed by a third party qualified valuer using quoted prices for similar assets in an active market.

Level 3: There were no fair value measurements by the Level 3 fair value hierarchy.

	2015 $	2014 $

Note 18. Leases

Operating lease commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements		
Payable - minimum lease payments:		
- not later than 12 months	46,357	45,540
- between 12 months and 5 years	-	39,664
- greater than 5 years	-	-
	46,357	**85,204**

Note 18. Leases (continued)

The Gingin lease is a non-cancellable lease with a five-year term which ends on 30 June 2016. Rent payable monthly in advance.

The Lancelin lease is a non-cancellable lease with a five-year term which ends on 17 March 2016. Rent payable monthly in advance.

	2015 $	2014 $

Note 19. Auditor's remuneration

Amounts received or due and receivable by the auditor of the company for:

- audit and review services (RSM)	-	9,350
- audit and review services (AFS)	4,100	-
- non audit services (RSM)	-	6,800
- non audit services (AFS)	1,150	-
	5,250	**16,150**

Note 20. Director and related party disclosures

No director of the company receives remuneration for services as a company director or committee member.

There are no executives within the company whose remuneration is required to be disclosed.

	2015 $	2014 $

Note 21. Dividends paid or provided

a. Dividends paid during the year		
Current year dividend		
100% (2014: 100%) franked dividend - 21 cents (2014: 20 cents) per share	**92,642**	**88,230**
b. Franking account balance		
Franking credits available for subsequent reporting periods are:		
- franking account balance as at the end of the financial year	461,233	417,596
- franking credits/(debits) that will arise from payment/(refund) of income tax as at the end of the financial year	(16,606)	20,423
- franking debits that will arise from the payment of dividends recognised as a liability at the end of the financial year	-	-
Franking credits available for future financial reporting periods:	**444,627**	**438,019**

	2015 $	2014 $
Note 21. Dividends paid or provided (continued)		
- franking debits that will arise from payment of dividends proposed or declared before the financial report was authorised for use but not recognised as a distribution to equity holders during the period	-	-
Net franking credits available	**444,627**	**438,019**

Note 22. Earnings per share

		2015 $	2014 $
(a)	Profit attributable to the ordinary equity holders of the company used in calculating earnings per share	94,712	179,592
		Number	**Number**
(b)	Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	441,150	441,150

Note 23. Events occurring after the reporting date

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

Note 24. Contingent liabilities and contingent assets

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

Note 25. Segment reporting

The economic entity operates in the service sector where it facilitates **Community Bank**® services in Gingin and Lancelin, Western Australia pursuant to a franchise agreement with Bendigo and Adelaide Bank Limited.

Note 26. Registered office/Principal place of business

The entity is a company limited by shares, incorporated and domiciled in Australia. The registered office and principal place of business is:

Registered Office	Principal Place of Business
3 Constable Street Gingin WA 6503	3 Constable Street Gingin WA 6503
	442 Lancelin Plaza Lancelin WA 6044

Note 27. Financial instruments

Financial Instrument Composition and Maturity Analysis

The table below reflects the undiscounted contractual settlement terms for all financial instruments, as well as the settlement period for instruments with a fixed period of maturity and interest rate.

Financial instrument	Floating interest		Fixed interest rate maturing in						Non interest bearing		Weighted average	
			1 year or less		Over 1 to 5 years		Over 5 years					
	2015 $	2014 $	2015 $	2014 $	2015 $	2014 $	2015 $	2014 $	2015 $	2014 $	2015 %	2014 %
Financial assets												
Cash and cash equivalents	55,601	75,919	630,069	610,327	-	-	-	-	-	-	2.65	2.55
Receivables	-	-	-	-	-	-	-	-	121,496	161,759	N/A	N/A
Financial liabilities												
Payables	-	-	-	-	-	-	-	-	14,024	39,794	N/A	N/A

Net Fair Values

The net fair values of financial assets and liabilities approximate the carrying values as disclosed in the balance sheet. The company does not have any unrecognised financial instruments at the year end.

Credit Risk

The maximum exposure to credit risk at balance date to recognised financial assets is the carrying amount of those assets as disclosed in the balance sheet and notes to the financial statements.

There are no material credit risk exposures to any single debtor or group of debtors under financial instruments entered into by the economic entity.

Interest Rate Risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from the interest bearing financial assets and liabilities in place subject to variable interest rates, as outlined above.

Sensitivity Analysis

The company has performed sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in interest rates.

Note 27. Financial instruments (continued)

Sensitivity Analysis (continued)

As at 30 June 2015, the effect on profit and equity as a result of changes in interest rate, with all other variables remaining constant would be as follows:

	2015 $	2014 $
Change in profit/(loss)		
Increase in interest rate by 1%	6,857	6,862
Decrease in interest rate by 1%	6,857	6,862
Change in equity		
Increase in interest rate by 1%	6,857	6,862
Decrease in interest rate by 1%	6,857	6,862

Directors' declaration

In accordance with a resolution of the directors of Gingin Districts Community Financial Services Limited, we state that:

In the opinion of the directors:

(a) the financial statements and notes of the company are 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 financial year ended on that date; and

  (ii) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

(c) the audited remuneration disclosures set out in the remuneration report section of the directors' report comply with Accounting Standard AASB124 Related Party Disclosures and the Corporations Regulations 2001.

This declaration is made in accordance with a resolution of the board of directors.

David William Roe,
Chairman

Signed on the 27th of August 2015.

Independent audit report

Partners in success

Chartered Accountants

Independent auditor's report to the members of Gingin Districts Community Financial Services Limited

Report on the financial report

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

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making fair accounting estimates that are reasonable in the circumstances. 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.

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. These standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our 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, we consider internal controls relevant to the entity's preparation and fair presentation 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the company's financial position and of its performance.

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

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Independent audit report (continued)

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written auditor's independence declaration, a copy of which is included in the directors' report.

Auditor's opinion on the financial report

In our opinion:

1. The financial report of Gingin Districts Community Financial Services Limited is in accordance with the *Corporations Act 2001* including giving a true and fair view of the company's financial position as at 30 June 2015 and of its financial performance and its cash flows for the year then ended and complying with Australian Accounting Standards and the Corporations Regulations 2001.
2. The financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Report on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion on the remuneration report

In our opinion, the remuneration report of Gingin Districts Community Financial Services Limited for the year ended 30 June 2015, complies with section 300A of the *Corporations Act 2001*.

Andrew Frewin Stewart
61 Bull Street, Bendigo Vic 3550

David Hutchings
Lead Auditor

Dated: 27 August 2015

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3 Constable Street, Gingin WA 6503
Phone: (08) 9575 1560

Lancelin branch
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Phone: (08) 9655 2973

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