



Annual Report 2016

Good Country Financial
Services Limited

ABN 86 164 061 143

Keith & Districts **Community Bank®** Branch

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Chairman's report

For year ending 30 June 2016

Welcome to our third Annual Report, being our second full year of operation for Good Country Financial Services Limited.

Our Board of Directors and staff have worked tirelessly for the past 12 months through a continued period of very challenging times in the banking industry, interest rates are still at all time lows and competition is very strong.

Our business has now entered into an overdraft position for a period until we can reach a consistent profit. This has been a stressful time for us, but to the credit of our staff and their regional support, we have managed to reach our budget goals, which were recently exceeded and also go beyond our business growth targets. This is thanks also to some good referrals and a number of community members coming on board with their business. We are slowly gaining the confidence of the community and they are starting to understand what we can do together, still this is happening too slow for some of us.

Our **Community Bank**[®] branch has grown its business portfolio to over \$46 million in the past year and while we are not yet in a profit position, we are all still working hard to ensure that we grow the business and achieve a sustainable profit position in the near future. One of our best areas of growth has been in rural lending which our customers are finding us to be very competitive and are supporting the community model. Please spread the good news about Rural Bank on to your colleagues and friends and remember that only Rural Bank business referred to our **Community Bank**[®] branch will go towards benefiting the community through our community sponsorship and grant programmes.

I ask our shareholders, are you customers, and if not why not? Do the clubs you belong to bank with us? Your referrals are very important to our business growth and we appreciate all introductions made by our shareholders and supporters. The quicker we can grow the business the sooner we will get to our aim of paying a dividend.

The Board is mindful of the need to reward our shareholders through the payment of a dividend, however this can only be done when the business generates profits and after community needs are met. With your continued support and that of your family, friends and colleagues we are quickly approaching this goal.

I would like to thank my fellow Directors as they continue to work away out of sight ensuring our company runs along smoothly and all compliance is met. They also support and encourage the branch staff. I would especially like to thank those Directors who have retired in this last 12 months, their passion for our **Community Bank**[®] branch and its success has been greatly appreciated. Every Director is involved in a voluntary capacity and their efforts and commitments are very substantial.

Russ Kamp will be retiring as one of the inaugural Directors. He has added a very valuable skill set to our Board with his previous business and life experiences and I would like to thank him for very much for his efforts. Russ has offered to stay on in a supporting role, on our Finance and Governance Sub-Committee, thanks Russ.

Maureen Oliver has also been on the Board since inception and has been a great asset, most recently chairing our Community Engagement Committee. Maureen is a great community person and along with her Tatiara council duties she has been very busy and has decided to slow down a bit.

Krysteen Mcelroy also retired at the end of last year. Krysteen is a much sought after contributor in any community and coming from Padthaway was a bonus for our networking, but unfortunately her work commitments elsewhere kept growing. We thank Krysteen for her contribution.

As we say goodbye to these Directors we will be welcoming three new Directors in July.

I look forward to working with Louise Densley, Melody Mitton and Penny Moorhouse in the future.

We welcomed Susan Morcom to our staff team in December. Susan brings lots of industry experience as well as her own small business skills to the job. Susan is out and about and is very enthusiastic. Please make a point of introducing yourselves to Susan if you have not already met.

Chairman's report (continued)

We have continued to support our community through the Bendigo Bank Marketing Development Fund with a further \$17,300 in contributions to local community organisations in the past year. These contributions will continue in the future, and as the business grows we will be able to add even more dollars to this amount.

A special thank you to our Branch Manager Fiona Wilkinson, she seems to have a never-ending capacity for dealing with the day to day challenges that a **Community Bank**® branch delivers, it's a credit to her and her team that we have managed to grow ahead of our budgets. Thanks also to our staff Tom Geyer, Sherri Creighton, Peta Kellock, Susan Morcom and Cherie Kennett for their continued enthusiasm and dedication. Please come into the branch and say hello to them. Also thanks to our support from Bendigo Bank and Rural Bank. They are in Keith regularly for your specialist requirements such as wealth and retirement planning, business banking and farm specialist needs.

Finally I would like to thank all those who are currently supporting our **Community Bank**® branch with their banking requirements, and look forward to servicing you with a high level of customer satisfaction into the future.

Please spread the word and make the next 12 months a profitable one for all.

Regards



James Ryan
Chairman

Manager's report

For year ending 30 June 2016

It is with great pleasure that I submit my annual report to our shareholders for the 2015/16 financial year.

We have now completed our second full year of trading and I am pleased to advise that we have almost doubled the amount of business on our books over the last 12 months. Being located in a rural area, the primary business growth has been through our Rural Bank suite of products with new customers coming on board also transferring their day to day banking, which gives us growth in the consumer product range.

Much of our business is conducted outside of the branch premises as we need to go where the business is and provide a service to customers, which fits in with their work/lifestyle, needs. Telephone contact is also an important method for us to keep in touch. Over the past year, we have seen an increase in business opportunities from outside of Keith. Other Bank branch closures did positively impact us and as community awareness of what we are about grows, so does our business.

Our Bendigo Bank support staff have remained constant over the past 12 months which contributes to maintaining relationships with clients. Simon O'Leary, our Rural Bank Relationship Manager, has been especially busy with referrals from Keith and as the leading consultant in Australia, won the National Sales Award for Rural Bank for 2015/16.

We also still have the support of Chloe Rietveld, Wealth Consultant, who has had great success this year with retirement planning and superannuation advice for our customers and Jim Golder, Business Banking Manager, has continued with his regular visits to high net-worth business customers and prospects.

We have not only been successful in the rural section but have increased our business over a wide range of products, which validates that we are a 'bank for all'. The wide range of products on our books gives us a diverse income for our business which is important in times of low interest rates.

This year we announced the availability of funds through our inaugural Community Grants Program, which was made possible by the growth in customer business and access to Marketing Development Funds from Bendigo Bank. An amount of \$10,000 has been handed out to community groups across the Upper South East for a wide variety of projects. It was exciting to get a small taste of future opportunities our annual Grants Program can provide for the region. This was in addition to local sponsorships and donations totalling over \$17,000 which were handed out throughout the year.

A big thank you to our branch staff who have been committed to our business growth. They continue to contribute to our business by ongoing learning and development, engagement with the local community and supporting each other. As a small team, we need to be flexible and they have proven their worth way above normal expectations. Our team welcomed Susan Morcom in December 2015. Susan brings vast experience in the rural finance sector which is a great asset for us. We also have established a school-based apprentice position which was taken up by Cherie Kennett of Tintinara. This is part of our commitment to youth development in our district and provides invaluable experience in banking and finance to like-minded students. This is an opportunity for local students that we would like to see continue over the coming years.

Thank you to our Board of Directors who have been an amazing support for our branch. As volunteers they do a great job out in the community promoting our business and more recently handling out money to groups – the exciting part of our business!

It is very exciting to see our business heading in the right direction and that it is well supported throughout the district. We look forward to further building our brand, business and footprint in the Upper South East.

As always, thank you for your support.



Fiona Wilkinson
Branch Manager

Bendigo and Adelaide Bank report

For year ending 30 June 2016

It's been 18 years since Bendigo Bank and two rural communities announced they were joining forces to open **Community Bank**[®] branches.

The initial aim was to return traditional bank branches to regional communities.

It was soon obvious that the 'community' aspect of this unique banking model was going to be just as important to all types of communities; whether they are rural, regional or urban.

Today, there are 312 **Community Bank**[®] communities in every state and territory of Australia.

The statistics are impressive:

- More than \$148 million in community contributions returned to local communities
- 1,900 Directors
- 1,500 staff
- More than \$38 million in shareholder dividends.

Yes, these figures are staggering.

But dig a little deeper and what's more significant is that social issues affecting every community in Australia have received funding from **Community Bank**[®] companies.

- Aged care
- Youth disengagement
- Homelessness
- Domestic and family violence
- Mental health
- Unemployment
- Environment

I have no doubt that your **Community Bank**[®] company has already had a role to play, either in a funding grant, sponsorship support or connecting locals with relevant government, corporate and not-for-profit organisations.

Behind every **Community Bank**[®] branch is a company Board of Directors. These people are local mums and dads, tradespeople, small business operators, farmers, lawyers, accountants, school teachers, office workers... and the list goes on.

As **Community Bank**[®] company Directors they volunteer their time, their professional expertise and their local knowledge to make your **Community Bank**[®] branch the success it is today.

To every single one of our 1,900-plus **Community Bank**[®] company Directors, thank you for your commitment, your confidence in Bendigo and Adelaide Bank and your vision to make your community a better place to live.

As a **Community Bank**[®] community, you're all change makers.

As a shareholder, you're critical to helping make things happen for the benefit of your community.

On behalf of Bendigo Bank, thank you.

Thank you for your support as a shareholder, your belief in your community and your faith in what a **Community Bank**[®] community can achieve.



Robert Musgrove
Executive Community Engagement

Directors' report

For the financial year ended 30 June 2016

Your Directors present their report, together with the financial statements of the company, for the year ended 30 June 2016.

Directors

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

Name and position held	Qualifications	Experience and Other Directorships
James Ryan Chairman Director since 31 May 2013	Bachelor of Applied Science In Agriculture	Owner and Director of family farming business. Involved with the Keith Football Club. Past Chairman of the Willalooka Farm Group and a past member of the Keith Hospital Board.
Andrew Martin Company Secretary Director since 31 May 2013		Currently Owner and Manager of an engineering enterprise and 20 years as Director and Manager of a small business, both in Keith. Past President and Executive member and current member of Bordertown Speedway Club.
Wendy Ragless Treasurer Director since 29 December 2013	Cert III Financial Services Cert III Business Services	Assistant Accountant for 10.5 years. Inaugural member of the Keith Scouts. Involved in many community fundraising events.
Russell Kamp Director since 31 May 2013		Business background with 20+ years' experience owning and operating a variety of commercial ventures.
Louise Johnson Director since 11 June 2013	Diploma of Teaching (ECE) Certificate of Rural Office Practice	Director and bookkeeper for family farming business. Past Chair and Secretary of the Bordertown Catholic Parish Pastoral Council. Past member of the Keith Area School Governing Council. Past secretary to the Keith Kindergarten and Willalooka Progress Assn.
David Brown Director since 15 October 2014	Bachelor of Science, CPAG, Australian Association of Agricultural Consultants and Regional Development of Australia	Board Member of A.W Howard Trust-PIRSA, Committee member of GRDC Irrigation Group (SA), Farmer and Agronomic Consultant.
Louise Densley Director since 5 of July 2016	Bachelor of Environmental Science Grad Cert Sustainable Agriculture	11 year public service (project management, governance, community engagement). Previous committee member Ag Excellence Alliance.

Directors' report (continued)

Directors (continued)

Name and position held	Qualifications	Experience and Other Directorships
Melody Mitton Director since 5 of July 2016	Hospitality & Management	Actively involved in the local community over 10 years. Currently President of PEAK, vice President of the Desert Dragons. Past President to Willalooka Progress Assn. Past Secretary to the Keith Art Group. Past Treasurer to the Keith Theatre Group
Penny Moorhouse Director since 8 of July 2016	Bachelor of Arts in Communications	Currently Communications Coordinator for MFMG. Keith Area School Governing Council member. Partner in farming/contracting business. Past ABC employee.
Peter Gibbs Director since 11 June 2013 Resigned October 2015		Recently involved in a variety of sporting associations such as Auskick, the Willalooka Cricket Club and Friday Night Junior Football.
Krysteen McElroy Director since 15 October 2014 Resigned November 2015	Graduate of Aust Institute of Company Directors	Chief Exec Officer for MacKillop Farm Management Group Australian Rural Leaders Program Partner in family farming operation at Padthaway
Maureen Oliver Director since 31 May 2013 Resigned 7 June 2016		Currently an Elected Member of the Tatiara District Council. Previously a Catering Manager for Sydney Wesley Mission and the Keith and District Hospital.

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

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

Principal activities

The principal activity and focus of the company's operations during the financial year was the operation of a Branch of Bendigo and Adelaide Bank Limited, pursuant to a franchise agreement.

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

Operating results

The loss of the company after providing for income tax amounted to \$209,116.

Dividends

No dividends were declared or paid during the financial year.

Financial position

The net assets were \$116,499 as at 30 June 2016 reflecting a decrease in the cash received during the share issue.

Cash has been utilised on operations as the company continues to build banking business.

Directors' report (continued)

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 these financial statements.

After balance date events

There have been no matters or circumstances arisen since the end of the financial year that 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 subsequent financial periods.

Future developments

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

Environmental issues

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth, State or Territory.

Options

No options over issued shares or interests in the company were granted to Directors or Executives during or since the end of the financial year and there were no options outstanding at the date of this report.

The Directors and Executive do not own any options over issued shares or interests in the company at the date of this report.

Proceedings on behalf of company

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

Indemnifying Officers or Auditor

Indemnities have been given, during and since the end of the financial year, for any persons who are or have been a Director or an Officer, but not an Auditor, of the company. The insurance contract prohibits disclosure of any details of the cover.

Corporate governance

The company has implemented various corporate governance practices, which include:

- (a) The establishment of a finance and audit committee;
- (b) Director approval of operating budgets and monitoring of progress against these budgets;
- (c) Ongoing Director training; and
- (d) Monthly Director meetings to discuss performance and strategic plans.

Directors' report (continued)

Directors' meetings

The number of Directors' meetings attended during the year were:

Director	Directors' meetings		Finance and Audit committee meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
James Ryan	11	11	n/a	n/a
Russell Kamp	11	8	11	9
Wendy Ragless	11	11	11	11
Andrew Martin	11	11	11	9
Louise Johnson	11	10	n/a	n/a
David Brown	11	6	n/a	n/a
Maureen Oliver - Resigned June 2016	11	8	n/a	n/a
Krysteen McElroy - Resigned November 2015	5	2	n/a	n/a
Peter Gibbs - Resigned October 2015	4	4	n/a	n/a

n/a - not a member of that Committee

Company Secretary

Andrew Martin was appointed the Company Secretary of the company on 29 July 2016.

Russell Kamp resigned as the Company Secretary of the company on 29 July 2016. Russell had been Company Secretary of the company since 31 May 2013 (date of incorporation).

Non audit services

The Directors are satisfied that the provision of non audit services during the period is compatible with the general standard of independence for Auditors imposed by the Corporations Act 2001. The Directors are satisfied that the services disclosed in Note 5 did not compromise the external Auditor's:

- all non audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect integrity and objectivity of the Auditor, and
- the nature of the services provided does not compromise the general principles relating to Auditor independence in accordance with APES 110 "Code of Ethics for Professional Accountants" set by the Accounting Professional and Ethical Standards Board.

Auditor independence declaration

The lead Auditor's independence declaration under s307C of the Corporations Act 2001 for the financial year ended 30 June 2016 is included within the financial statements.

This Report of the Directors is signed in accordance with a resolution of the Board of Directors at Keith on 6 September 2016.



James Ryan
Director

Dated this 6 September 2016

Auditor's independence declaration



RSM Australia Partners

Level 4, 191 Pulteney Street Adelaide SA 5000
GPO Box 973 Adelaide SA 5001

T +61 (0) 8 8232 3000
F +61 (0) 8 8223 3555

www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Good Country Financial Services Limited for the year ended 30 June 2016, I declare that to the best of my knowledge and belief there have been no contraventions of:

- a. the auditor independence requirements of the *Corporations Act 2001* in relation to the audit, and
- b. any applicable code of professional conduct in relation to the audit.

A handwritten signature in dark ink that reads "RSM".

RSM AUSTRALIA PARTNERS

A handwritten signature in dark ink that reads "David Wall".

DAVID WALL

Partner

Adelaide, South Australia

Date: 8 September 2016

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Financial statements

Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2016

	Notes	2016 \$	2015 \$
Revenue	2	248,189	146,158
Employee benefits expense	3	(278,907)	(284,780)
Depreciation and amortisation expense	3	(24,200)	(24,200)
Professional fees		(7,244)	(15,992)
Marketing and promotional expense		(13,164)	(17,008)
Other expenses		(113,033)	(89,900)
Loss before charitable donations & sponsorships		(188,359)	(285,722)
Charitable donations and sponsorship		(20,757)	(2,817)
Loss before income tax		(209,116)	(288,539)
Income tax benefit	4	-	-
Loss for the year		(209,116)	(288,539)
Other comprehensive income		-	-
Total comprehensive loss for the year attributable to members		(209,116)	(288,539)

The accompanying notes form part of these financial statements.

Financial statements (continued)

Statement of Financial Position as at 30 June 2016

	Notes	2016 \$	2015 \$
Current assets			
Cash and cash equivalents	6	357	131,373
Trade and other receivables	7	31,593	6,114
Other current assets	8	6,067	6,782
Total current assets		38,017	144,269
Non-current assets			
Other current assets	8	3,167	5,167
Plant and equipment	9	168,350	190,550
Intangible assets	10	5,167	7,167
Total non-current assets		176,684	202,884
Total assets		214,701	347,153
Current liabilities			
Trade and other payables	11	18,318	12,388
Borrowings - bank overdraft	6	60,658	-
Short term provisions	12	19,226	9,150
Total current liabilities		98,202	21,538
Total liabilities		98,202	21,538
Net assets		116,499	325,615
Equity			
Issued capital	13	869,959	869,959
Accumulated losses		(753,460)	(544,344)
Total equity		116,499	325,615

The accompanying notes form part of these financial statements.

Financial statements (continued)

Statement of Changes in Equity for the year ended 30 June 2016

	Note	Share capital \$	Accumulated Losses \$	Total \$
Balance at 30 June 2014		869,959	(255,805)	614,154
Issue of share capital		-	-	-
Total comprehensive loss for the period		-	(288,539)	(288,539)
Subtotal		869,959	(544,344)	325,615
Dividends paid or provided for	19	-	-	-
Balance at 30 June 2015		869,959	(544,344)	325,615
Issue of share capital		-	-	-
Total comprehensive loss for the year		-	(209,116)	(209,116)
Subtotal		869,959	(753,460)	116,499
Dividends paid or provided for	19	-	-	-
Balance at 30 June 2016		869,959	(753,460)	116,499

The accompanying notes form part of these financial statements.

Financial statements (continued)

Statement of Cash Flows for the year ended 30 June 2016

	Notes	2016 \$	2015 \$
Cash flows from operating activities			
Receipts from customers		225,100	143,124
Payments to suppliers and employees		(417,099)	(400,320)
Interest received		325	9,133
Net cash used in operating activities	14	(191,674)	(248,063)
Cash flows from investing activities			
Purchase of property, plant and equipment		-	-
Net cash used in investing activities		-	-
Net increase / (decrease) in cash held		(191,674)	(248,063)
Cash and cash equivalents at beginning of financial year		131,373	379,436
Cash and cash equivalents at end of financial year	6	(60,301)	131,373

The accompanying notes form part of these financial statements.

Notes to the financial statements

For year ended 30 June 2016

Note 1. Statement of significant accounting policies

(a) Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

The financial report covers the company as an individual entity. The company is a public company, incorporated and domiciled in Australia.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified where applicable by the measurement at fair value of selected non current assets, financial assets and financial liabilities.

The financial statements were authorised for issue on the 6 September 2016 by the Directors of the company.

(b) Income tax

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

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

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

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

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

Current tax assets and liabilities are offset where a legally enforceable right of set off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Notes to the financial statements (continued)

Note 1. Summary of significant accounting policies (continued)

(c) Plant and equipment

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

Plant and equipment

Plant and equipment are measured on the cost basis.

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial year in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Depreciation is calculated on a straight line basis over the estimated useful life of the asset as follows:

Class of asset	Depreciation rate
Fit out costs	10%
Plant & equipment (over \$5,000)	20 - 40%
Plant & equipment (under \$5,000)	100%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

At each reporting date, the company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Notes to the financial statements (continued)

Note 1. Summary of significant accounting policies (continued)

(d) Goods and services tax (GST)

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 in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(e) Employee benefits

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.

(f) Intangibles

Franchise Fee

The franchise fee paid by the company pursuant to a Franchise Agreement with Bendigo Bank is being amortised over the initial five (5) years period of the agreement, being the period of expected economic benefits of the franchise fee.

(g) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(h) Revenue and other income

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

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

(i) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use of sale.

(j) Provisions

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

(k) Comparative figures

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

Notes to the financial statements (continued)

Note 1. Summary of significant accounting policies (continued)

(l) Critical accounting estimates and judgements

The Directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Key estimates - Estimation of useful lives of assets

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

Key estimates - impairment

The company assesses impairment at each reporting date by evaluating conditions specific to the company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates

No impairment has been recognised in respect of intangibles for the year ended 30 June 2015. Should the projected turnover figures be materially outside of budgeted figures incorporated in value-in-use calculations, an impairment loss would be recognised up to the maximum carrying value of intangibles at 30 June 2015 amounting to \$7,167.

(m) Financial instruments

Recognition and initial measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the company becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. 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 company no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

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) Financial liabilities

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

Notes to the financial statements (continued)

Note 1. Summary of significant accounting policies (continued)

(m) Financial instruments (continued)

Derivative instruments

Derivative instruments are measured at fair value. Gains and losses arising from changes in fair value are taken to the statement of comprehensive income unless they are designated as hedges.

The company does not hold any derivative instruments.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant or prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

Financial guarantees

Where material, financial guarantees issued, which require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due, are recognised as a financial liability at fair value on initial recognition. The guarantee is subsequently measured at the higher of the best estimate of the obligation and the amount initially recognised less, when appropriate, cumulative amortisation in accordance with AASB 118: Revenue. Where the company gives guarantees in exchange for a fee, revenue is recognised under AASB 118. The company has not issued any financial guarantees.

(n) New accounting standards for application in future periods

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2016. The company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

(o) Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the company incurred a loss of \$209,116 and had net cash outflows from operating activities of \$191,674 for the year ended 30 June 2016. As at that date, the company had net current liabilities of \$60,185 and net assets of \$116,499.

The Directors believe that it is reasonably foreseeable that the company will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- (i) The company recognises that losses will be incurred during the start up phase of the business and while market access is being developed;
- (ii) The business activities are supported by Bendigo and Adelaide Bank Limited, including assistance with the preparation and review of the company's annual cash flow budgets;

Notes to the financial statements (continued)

Note 1. Summary of significant accounting policies (continued)

(o) Going concern (continued)

- (iii) Bendigo and Adelaide Bank Limited has confirmed that it currently provides working capital by way of an overdraft facility with a limit of \$230,000 (refer Note 14(b)); and
- (iv) The provision of additional funding by Bendigo and Adelaide Bank Limited is dependent upon the company fulfilling its ongoing responsibilities under the Franchise Agreement and continuing to work closely with Bendigo and Adelaide Bank Limited management to further develop the business. The company believes that it is fulfilling these responsibilities.

	2016 \$	2015 \$
Note 2. Revenue		
Franchise margin income	247,864	142,165
Interest received	325	3,993
	248,189	146,158

Note 3. Expenses

Employee benefits expense

- wages and salaries	228,649	229,641
- superannuation costs	21,229	22,409
- other costs	29,029	32,730
	278,907	284,780
Depreciation of non-current assets:		
- plant and equipment	-	-
- buildings	22,200	22,200
Amortisation of non-current assets:		
- intangible assets	2,000	2,000
	24,200	24,200

Note 4. Income tax

(a) The components of tax benefit comprise:

Current tax	-	-
	-	-

Notes to the financial statements (continued)

	2016 \$	2015 \$
Note 4. Income tax (continued)		
(b) The prima facie tax on loss before income tax is reconciled to the income tax as follows:		
Prima facie tax on loss before income tax at 28.5% (2015: 30%)	(59,598)	(86,562)
Add / (less) net tax effect of:		
- Other non-allowable items	3,698	2,616
- Other allowable items	(3,219)	(3,389)
- Prior year adjustment	(5,673)	-
- Tax losses carried forward not brought to account	64,792	87,335
Income tax attributable to company	-	-
Deferred tax assets		
Deferred tax assets arising from tax losses and deductible temporary differences have not been recognised at reporting date as realisation of the benefit is not regarded as probable.		
	198,606	133,814

Note 5. Auditors' remuneration

Remuneration of the Auditors of the company

- Audit services	5,125	5,000
- Other services	1,700	4,113
	6,825	9,113

Note 6. Cash and cash equivalents

Cash at bank and in hand	357	131,373
Reconciliation of cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
As per the statement of financial position	357	131,373
(Less) bank overdraft	(60,658)	-
As per the statement of cash flows	(60,301)	131,373

Note 7. Trade and other receivables

Current

Trade receivables:

Trade debtors	31,593	6,114
Total current receivables	31,593	6,114

Notes to the financial statements (continued)

Note 7. Trade and other receivables (continued)

a. Provision for impairment of receivables

Current trade and term receivables are non-interest bearing loans and generally on 30-day terms.

Non-current trade and term receivables are assessed for recoverability based on the underlying terms of the contract.

A provision for impairment is recognised when there is an objective evidence that an individual trade or term receivable is impaired. These amounts will be included in the other expenses item of the statement of comprehensive income.

There is no provision for impairment of receivables.

	2016 \$	2015 \$
Note 8. Other assets		
Current		
Prepayments	3,946	3,787
Prepaid training costs	2,000	2,000
GST Receivable	-	389
Other	121	606
	6,067	6,782
Non-current		
Prepaid training costs	3,167	5,167
	3,167	5,167

Note 9. Plant and equipment

Fit out costs

At cost	222,000	222,000
Less accumulated depreciation	(53,650)	(31,450)
	168,350	190,550

Plant and equipment

At cost	1,059	1,059
Less accumulated depreciation	(1,059)	(1,059)
	-	-
Total written down amount	168,350	190,550

Notes to the financial statements (continued)

	2016 \$	2015 \$
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Note 9. Plant and equipment (continued)

Movements in carrying amounts

Fit out costs

Carrying amount at beginning of period	190,550	212,750
Additions	-	-
Disposals	-	-
Depreciation expense	(22,200)	(22,200)
Carrying amount at end of period	168,350	190,550

Plant and equipment

Carrying amount at beginning of period	-	-
Additions	-	-
Disposals	-	-
Depreciation expense	-	-
Carrying amount at end of period	-	-

Note 10. Intangible assets

Franchise fee

Cost	10,000	10,000
Accumulated amortisation	(4,833)	(2,833)
	5,167	7,167

Pursuant to a five year franchise agreement with Bendigo and Adelaide Bank Limited, the company operates a branch of Bendigo and Adelaide Bank Limited, providing a core range of banking products and services.

Note 11. Trade and other payables

Current

Trade creditors	4,330	5,117
Other creditors and accruals	9,459	7,271
GST payable	4,529	-
	18,318	12,388

Notes to the financial statements (continued)

	2016 \$	2015 \$
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Note 12. Provisions

Current

Employee entitlements	19,226	9,150
Number of employees at year end	6	7

Note 13. Equity

869,959 fully paid ordinary shares	869,959	869,959
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Note 14. Statement of cash flows

(a) Reconciliation of cash flow from operations with loss after tax

Loss after income tax	(209,116)	(288,539)
Non cash items included in loss		
- Depreciation	22,200	22,200
- Amortisation of Franchise Fee	2,000	2,000
Movement in assets and liabilities		
- (Increase) decrease in receivables / other assets	(22,764)	10,206
- Increase (decrease) in payables	5,930	3,746
- Increase (decrease) in provisions	10,076	2,324
Net cash used in operating activities	(191,674)	(248,063)

(b) Credit standby arrangement and loan facilities

The company has put in place a bank overdraft facility amounting to \$230,000 (2015:\$nil) to assist with working capital requirements.

The overdraft facility is secured by a general security deed over all present and after acquired property granted by the company.

At 30 June 2016, \$60,658 of this facility was used (2015:\$nil). Variable interest rates apply to this overdraft facility.

Notes to the financial statements (continued)

Note 15. Related party transactions

The company's main related parties are as follows:

(a) Key management personnel

Any person(s) having authority or responsibility for planning, directing or controlling the activities of the company, directly or indirectly including any Director (whether executive or otherwise) of that company is considered key management personnel.

Name		Position
James Ryan	Appointed 31/5/2013	Chairman
Andrew Martin	Appointed 31/5/2013	Non-Executive Director / Secretary
Wendy Ragless	Appointed 29/12/2013	Non-Executive Director / Treasurer
Russell Kamp	Appointed 31/5/2013	Non-Executive Director
Louise Johnson	Appointed 11/6/2013	Non-Executive Director
David Brown	Appointed 15/10/2014	Non-Executive Director

(b) Other related parties

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

(c) Transactions with key management personnel and related parties

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

During the year Wendy Ragless received \$7,671 for performing bookkeeping and accounting duties to the company.

During the year a business owned by Andrew Martin paid \$909 for shed storage space at the rear of the branch.

(d) Key Management personnel shareholdings

Number of ordinary shares held by key management personnel.

Directors		Balance at beginning of year	Purchased during the year	Other changes	Balance at end of year
Andrew Martin	Appointed 31/5/2013	1	-	-	1
Russell Kamp	Appointed 31/5/2013	5,001	-	-	5,001
James Ryan	Appointed 31/5/2013	1,051	-	-	1,051
Wendy Ragless	Appointed 29/12/2013	500	-	-	500
Louise Johnson	Appointed 11/6/2013	10,001	-	-	10,001
David Brown	Appointed 15/10/2014	1,000	-	-	1,000
		17,554	-	-	17,554

Note 16. Events after the statement of financial position date

There have been no matters or circumstances arisen since the end of the financial year that 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 subsequent financial years.

Notes to the financial statements (continued)

Note 17. Contingent liabilities and assets

There were no contingent liabilities or contingent assets at the reporting date apart from the potential effects that may become payable as detailed below:

	2016 \$	2015 \$
Tatiara District Council contributed 50% of the costs towards the feasibility study required by Bendigo and Adelaide Bank Limited. A condition of this grant is that when the Community Bank [®] branch achieves profitability it shall pay forward the amount of the grant to a council approved community project/s or event/s, as per the resolution as passed by the Council Members on 10 July 2012.	5,439	5,439

Note 18. Operating segments

Types of products and services by segment

The company operates in the financial services sector as a branch of Bendigo and Adelaide Bank Limited in Keith and surrounding districts, South Australia.

Major customers

The company operates under the terms of a franchise agreement with Bendigo and Adelaide Bank Limited, which accounts for all of the franchise margin income.

Note 19. Dividends paid or provided for on ordinary shares

No dividends were paid or proposed by the company during the year.

Note 20. Economic Dependency - Bendigo and Adelaide Bank Limited

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

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

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

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

Notes to the financial statements (continued)

Note 20. Economic Dependency - Bendigo and Adelaide Bank Limited (continued)

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

Note 21. Company details

The registered office and principal place of business is: 28 Hender Street
Keith SA 5267

Note 22. Financial risk management

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

	Note	2016 \$	2015 \$
Financial assets			
Cash & cash equivalents	6	357	131,373
Trade and other receivables	7	31,593	6,114
Total financial assets		31,950	137,487
Financial liabilities			
Trade and other payables	11	18,318	12,388
Bank overdraft	6	60,658	-
Total financial liabilities		78,976	12,388

Financial risk management policies

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

Specific financial risk exposure and management

The company has exposure to credit risk, liquidity risk and market risk from their use of financial instruments.

(a) Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. For the company it arises from receivables and cash assets.

Notes to the financial statements (continued)

Note 22. Financial risk management (continued)

(a) Credit risk (continued)

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

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

The company's exposure to credit risk is limited to Australia by geographic area. The majority of receivables are due from Bendigo and Adelaide Bank Limited.

None of the assets of the company are past due and based on historic default rates, the company believes that no impairment allowance is necessary in respect of assets not past due.

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

	2016 \$	2015 \$
Cash and cash equivalents:		
A rated	357	131,373

(b) Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company ensures it will have enough liquidity to meet its liabilities when due under both normal and stressed conditions.

Liquidity management is carried out within the guidelines set by the Board.

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

Financial liability and financial asset maturity analysis:

30 June 2016	Note	Total \$	Within 1 year \$	1 to 5 years \$	Over 5 years \$
Financial liabilities due					
Trade and other payables	11	(18,318)	(18,318)	-	-
Bank overdraft	6	(60,658)	(60,658)	-	-
Total expected outflows		(18,318)	(18,318)	-	-
Financial assets - realisable					
Cash & cash equivalents	6	357	357	-	-
Trade and other receivables	7	31,593	31,593	-	-
Total anticipated inflows		31,950	31,950	-	-
Net (outflow)/inflow on financial instruments		50,268	50,268	-	-

Notes to the financial statements (continued)

Note 22. Financial risk management (continued)

(b) Liquidity risk (continued)

30 June 2015	Note	Total \$	Within 1 year \$	1 to 5 years \$	Over 5 years \$
Financial liabilities due					
Trade and other payables	11	(12,388)	(12,388)	-	-
Total expected outflows		(12,388)	(12,388)	-	-
Financial assets - realisable					
Cash & cash equivalents	6	131,373	131,373	-	-
Trade and other receivables	7	6,114	6,114	-	-
Total anticipated inflows		137,487	137,487	-	-
Net (outflow)/inflow on financial instruments		149,875	149,875	-	-

(c) Market risk

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

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The weighted average interest rates of the company's interest-bearing financial assets are as follows:

Financial assets

	2016 %	2015 %
Cash and cash equivalents (net of bank overdrafts)	-%	0.10%
Short-term investments:		
- held-to-maturity investments	-%	4.50%
Loans receivable	-%	-%

Sensitivity analysis

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

These sensitivities assume that the movement in a particular variable is independent of other variables.

Notes to the financial statements (continued)

Note 22. Financial risk management (continued)

(c) Market risk (continued)

Sensitivity analysis (continued)

	Profit \$	Equity \$
Year ended 30 June 2016		
+/- 1% in interest rates (interest income)	-	-
	-	-
Year ended 30 June 2015		
+/- 1% in interest rates (interest income)	1,314	1,314
	1,314	1,314

The company has no exposure to fluctuations in foreign currency.

(d) Price risk

The company is not exposed to any material price risk.

Fair values

The fair values of financial assets and liabilities approximate the carrying values as disclosed in the Statement of Financial Position. Fair value is the amount at which an asset could be exchanged, or liability settled, between knowledgeable, willing parties in an arm's length transaction. The company does not have any unrecognised financial instruments at year end.

Capital management

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

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

(i) the Distribution Limit is the greater of:

- (a) 20% of the profit or funds of the Franchisee otherwise available for distribution to shareholders in that 12 month period; and
- (b) subject to the availability of distributable profits, the Relevant Rate of Return multiplied by the average level of share capital of the Franchisee over that 12 month period; and

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

The Board is managing the growth of the business in line with this requirement. There are no other externally imposed capital requirements, although the nature of the company is such that amounts will be paid in the form of charitable donations and sponsorship. Charitable donations and sponsorship paid for the year ended 30 June 2016 can be seen in the statement of comprehensive income.

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

Directors' declaration

The Directors of the company declare that:

- 1 the accompanying financial statements and notes are in accordance with the Corporations Act 2001 and:
 - (a) comply with Australian Accounting Standards, and
 - (b) give a true and fair view of the financial position as at 30 June 2016 and of the performance for the year then ended of the company;
- 2 the financial statements and notes thereto comply with International Financial Reporting Standards, as disclosed in Note 1; and
- 3 in the Directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



James Ryan
Director

Dated this 6 September 2016

Independent audit report



RSM Australia Partners

Level 4, 191 Pulteney Street Adelaide SA 5000
GPO Box 973 Adelaide SA 5001

T +61 (0) 8 8232 3000
F +61 (0) 8 8223 3555

www.rsm.com.au

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GOOD COUNTRY FINANCIAL SERVICES LIMITED

We have audited the accompanying financial report of Good Country Financial Services Limited ("the company"), which comprises the statement of financial position as at 30 June 2016, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising 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 of the financial report that give a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the Directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation 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.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Good Country Financial Services Limited, would be in the same terms if give to the directors as at the time of this auditor's report.

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Independent audit report (continued)



Opinion

In our opinion:

- (a) the financial report of Good Country Financial Services Limited is in accordance with the Corporations Act 2001, including:
 - i. giving a true and fair view of the company's financial position as at 30 June 2016 and of its performance for the year ended 30 June 2016; and
 - ii. complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

A handwritten signature in dark ink that reads "RSM".

RSM AUSTRALIA PARTNERS

A handwritten signature in dark ink that reads "David Wall".

Adelaide, South Australia

Date: 8 September 2016

D J WALL

Partner

Keith & Districts **Community Bank**[®] Branch
28 Hender Street, Keith SA 5267
Phone: (08) 8755 1143

Franchisee: Good Country Financial Services Limited
28 Hender Street, Keith SA 5267
Phone: (08) 8755 1143
ABN: 86 164 061 143

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