



Annual Report 2017

Good Country Financial
Services Limited

ABN 86 164 061 143

Keith & Districts **Community Bank**[®] Branch

Contents

Chairman's report	2
Manager's report	4
Bendigo and Adelaide Bank report	5
Directors' report	6
Auditor's independence declaration	10
Financial statements	11
Notes to the financial statements	15
Directors' declaration	31
Independent audit report	32

Chairman's report

For year ending 30 June 2017

Welcome to our fourth Annual Report 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.

The pleasing part of writing the Annual Report is to report to our shareholders the level of community contributions that we have been able to distribute. This year we have totalled \$30,000 in grants and sponsorships, these have been provided to a wide range of clubs and groups over a large area of our region.

We also enjoyed having our school based Trainee Cherie Kennett finish her time with us and have recruited our new Trainee Jack Richman for a 12-month contract. This program gives local students a great opportunity to work in a career that may not otherwise be available without our local **Community Bank**[®] branch.

Our trading position remains in overdraft while we continue to grow towards a consistent profit. This year has again been a challenging time for us, but to the credit of our staff and their regional support we have almost managed to reach our budget goals. This is thanks to some good referrals and a number of community members supporting our bank by bringing across their business.

We are continually gaining the confidence of the community and they are starting to understand what we can do together, we would however like this to be happening faster.

Our **Community Bank**[®] branch has grown its business portfolio to \$53 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 our rural lending. Our customers are finding us very competitive in this area. So in support of our **Community Bank**[®] model, please get involved in our marketing of Rural Bank by telling your colleagues and friends to give us a go. Our Rural Bank specialist, Simon O'Leary is in the area regularly to assist our branch staff. Please make sure that enquiries for Rural Bank come direct through our **Community Bank**[®] branch to ensure that our community gets the benefit of these new connections. Rural Bank is changing the way they remunerate us, and in the coming months our income stream from Rural Bank will be considerably higher, so by increasing our rural book we will gain both business growth and additional income. Shareholder referrals are very important to our business growth.

The Board is mindful of the need to reward our loyal 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 progressing toward this goal. Every day and every new account means we are a step closer to supporting community projects and paying a dividend. I would like to set a challenge for our shareholders to tell one person a month about our **Community Bank**[®] branch and the benefits it brings to our community.

I would like to thank my fellow Directors as they continue to work away behind the scenes ensuring our company is well governed and all compliance obligations are 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.

One of our inaugural Directors, Andrew Martin will be retiring at the Annual General Meeting. Andrew created the necessary momentum to get this project rolling from the beginning and it is people like him that make big differences in the community. Andrew has continued on the Board in the Secretary role over the past year and we thank him for his enormous contributions.

Chairman's report (continued)

Louise Densley has also resigned this year, she has found family life more enjoyable and very time consuming too. We are missing her at Board meetings but she is carrying on doing some great work for us from home in her own time. Thanks Louise.

A special thank you again 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 presents. Fiona has now embedded herself in our community and we look forward to her being able to take her role out of the branch more in the future and going to the people and our businesses to meet their requirements. Thanks also to our staff Sherri Creighton, Peta Kellock, Brigitte Clark, Susan Morcom and Jack Richman for their continued enthusiasm and dedication.

Please come into the branch and say "hello" to them. Also thanks to our specialist support staff from Bendigo Bank and Rural Bank who are in Keith regularly for your special requirements.

Susan Morcom has recently resigned, we are sad that we are losing her valuable skills from the branch. But fortunately we have not lost her skills and industry experience all together. Susan has joined the Board of Directors and taken on the role of Treasurer. We are very excited to have her skills and knowledge on the Board.

Finally I would like to thank all those who are currently supporting our **Community Bank**[®] branch with their banking business and look forward to meeting all of your banking you with a high level of customer service into the future.

Please talk up our **Community Bank**[®] branch at every opportunity and spread the good word, let's make the next 12 months a profitable one for all.

Regards,



James Ryan
Chairman

Manager's report

For year ending 30 June 2017

Once again I have great pleasure in submitting my annual report to our shareholders.

We celebrated our third birthday and had many memorable events during this past 12 months. Our footings as at the end of June sit over \$52 million which is a great achievement for us given the population of our district. Over 60% of our lending portfolio is held through Rural Bank and this will continue to be an important part of the growth of our business. Our business is diverse and although we don't have the large residential base our colleagues have in the metropolitan branches, diversity in business sources give us a broad range of revenue streams. This diversity also provides the staff with variety in their day to day activities.

A successful business means that we are able to provide access to community funding through our annual Community Grants Program. The eligible applicants are obviously very grateful recipients and we recognise that it is through our customers' support that we are able to continue this funding program. Due to the competitive nature of banking and the low margins, business and revenue growth is challenging and every single dollar available needs to be carefully invested to the benefit of the wider community. Remember, only by contacting the branch directly, or nominating Keith through online access, will your banking business support your community.

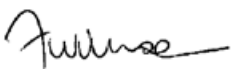
We have continued to be supported by Simon O'Leary, Rural Bank Relationship Manager and Jim Goldner, Business Banking Manager. Both have a good understanding of our clients' needs and support the branch with business growth. Chloe Rietveld, Wealth Consultant, has also made regular visits and supports our customers with investment and retirement planning. Chloe was also a memorable speaker at our Women's Forum roadshow last year.

Our branch team has been continually evolving since we opened and each staff member has made a valuable contribution to our business growth, community engagement and team spirit. We welcomed Brigette Clark to our team in October and Jack Richman commenced a 12-month traineeship in May. I would like to thank our branch staff Susan, Brigette, Peta, Sherri and Jack and past staff Tom and Cherie who have all made a positive impact to our team.

We have some exciting opportunities in our pipeline to grow our business and I look forward to developing these to further underpin our future growth. Being part of the **Community Bank**[®] branch family, we get to see and hear about many new and innovative ideas throughout the network and we can tailor concepts to suit our ever growing business.

Thank you as always to our Directors who continually support our branch, and to our shareholders and customers, without you we wouldn't have a business.

Regards,



Fiona Wilkinson
Branch Manager

Bendigo and Adelaide Bank report

For year ending 30 June 2017

As we approach 20 years since the first **Community Bank**[®] branch opened its doors, it's timely to reflect on the role of our network's 70,000-strong shareholders and its army of nearly 2,000 passionate local Directors.

As a group of people you are a powerful force that continues to influence change both locally and nationally.

United for a shared purpose in your communities, you are making big things happen beyond the delivery of great banking products and services; you're creating jobs, helping businesses to thrive, solving problems and achieving outcomes that will make your communities better places to live and do business.

Amongst other things, you are providing hundreds of thousands of people in communities around Australia with new opportunities to:

- Play sport in new **Community Bank**[®] funded centres.
- Continue their education thanks to a **Community Bank**[®] scholarship.
- Seek treatment in hospitals closer to home with equipment funded through a **Community Bank**[®] grant.
- Reap the environmental benefits of **Community Bank**[®] funded solar panels and LED lighting, and
- Access mental health services for teenage children with a service supported by a local **Community Bank**[®] branch.

In fact, since the model's inception your investment in local communities exceeds \$165 million and that figure continues to grow every year. This amount excludes the significant co-investment on key projects that many companies have obtained from Government and other parties.

Nationally our voices are increasingly being heard, and our collaborative approach recognised and celebrated.

Representing us all at a recent forum at Canberra's Parliament House, Bendigo Bank's Managing Director and Chairman reinforced the significance of the **Community Bank**[®] model's achievements and called for regulatory change that would help us compete in a crowded and ever-evolving banking sector. Just two months later, the Federal Government announced a levy on Australia's biggest banks that is set to re-level the playing field as we've regularly advocated for.

But for us this is more than a levy. The Turnbull Government's announcement recognises the importance of customers having access to a robust, competitive and customer-focused banking sector. On this note Bendigo Bank was recently recognised as the banking provider of choice in the annual Mozo People's Choice Awards. Better yet, out of 110 banking providers nationally, we were the only bank recognised in all eight banking categories – and were rated the leading bank in six of those eight categories.

This is an extraordinary achievement for you and our bank. Not only does it demonstrate that, in the eyes of our customers, we are doing something right – it very clearly outlines that together we can continue to achieve results.

As we've long known, the more successful our customers are, the stronger our communities become. In this regard the **Community Bank**[®] model enables these outcomes for customers and communities, as increasingly recognised by more and more Australians.

So thank you for your investment in your local **Community Bank**[®] company, for your ongoing contribution and support, tireless advocacy and continued commitment to building strong local communities. Without this, our **Community Bank**[®] branches would be just another bank.



Robert Musgrove
Executive Engagement Innovation

Directors' report

For the financial year ended 30 June 2017

Your Directors present their report, together with the financial statements of the company, for the year ended 30 June 2017.

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 a 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. Director & Owner of Henry & Rose Café.
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.
Louise Johnson Director since 11 June 2013	Diploma of Teaching (ECE) Certificate of Rural Office Practice	Director and bookkeeper for family farming business. 30 Years' experience in Education. Actively involved in the Keith and Willalooka community for over 25 years. Member of the Keith Art Group and a trainer at the Keith Football Club.
David Brown Director since 15 October 2014	Bachelor of Agricultural 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 July 2016	Bachelor of Environmental Science Grad Cert Sustainable Agriculture.	11 years in public service (project management, governance, community engagement). Employee of Natural Resources South East (Water Infrastructure) Member of Keith Floral Art Group, Keith Swimming Club & Friends of Mt Monster.
Melody Mitton Director since 5 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.

Directors' report (continued)

Directors (continued)

Name and position held	Qualifications	Experience and Other Directorships
Penny Moorhouse Director since 8 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.
Adrian Barber Director since 7 March 2017	Diploma of Agricultural Technology Diploma of Agricultural Science	40 years with the DPI - fields of Livestock Management, Soil Conservation, Farm Finance, Agricultural Software Development & Project Management
Wendy Ragless Past Treasurer Director since 29 December 2013 Resigned November 2016	Cert III Financial Services Cert III Business Services	Assistant Accountant for 10.5 years. Inaugural member of the Keith Community Bank [®] Steering Committee, Keith Scouts & Tatiara United Football Club. Involved in many community fundraising events.

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 **Community Bank**[®] 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.

Review of operations

The loss of the company after providing for income tax amounted to \$126,565.

A review of the operations of the company during the financial year and the results of those operations are as follows:

- During the year the company's net loss before income tax reduced by \$82,551 in comparison with the previous year.

Dividends

No dividends were declared or paid during the financial year.

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.

Directors' report (continued)

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 governance 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 plan.

Directors' meetings

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

Director	Directors' meetings		Finance and governance committee meetings	
	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended
James Ryan	11	11	6	3
Russell Kamp - resigned October 2016	4	3	3	3
Wendy Ragless - resigned November 2016	5	4	4	4
Andrew Martin	11	8	11	11
Louise Johnson	11	8	n/a	n/a
David Brown	11	7	n/a	n/a

Directors' report (continued)

Directors meetings (continued)

Director	Directors' meetings		Finance and governance committee meetings	
	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended
Louise Densley	11	6	11	4
Melody Mitton	11	8	n/a	n/a
Penny Moorhouse	11	7	n/a	n/a
Adrian Barber	3	3	3	2

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 2017 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 the 5 September 2017.



James Ryan
Director

Dated 5 September 2017

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 2017, 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 black ink that reads "RSM".

RSM AUSTRALIA PARTNERS

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

DAVID WALL
Partner

Adelaide, South Australia
Date: 5 September 2017

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RSM Australia Partners ABN 36 965 185 036

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Financial statements

Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2017

	Notes	2017 \$	2016 \$
Revenue	2	308,324	248,189
Employee benefits expense	3	(260,495)	(278,907)
Depreciation and amortisation expense	3	(24,900)	(24,200)
Professional fees		(5,620)	(7,244)
Marketing and promotional expense		(12,223)	(13,164)
Other expenses		(104,737)	(113,033)
Loss before charitable donations & sponsorships		(99,651)	(188,359)
Charitable donations and sponsorship		(26,914)	(20,757)
Loss before income tax		(126,565)	(209,116)
Income tax benefit	4	-	-
Loss for the year		(126,565)	(209,116)
Other comprehensive income		-	-
Total comprehensive loss for the year attributable to Members		(407,975)	(436,548)

The accompanying notes form part of these financial statements.

Financial statements (continued)

Statement of Financial Position as at 30 June 2017

	Notes	2017 \$	2016 \$
Current assets			
Cash and cash equivalents	6	553	357
Trade and other receivables	7	24,044	31,593
Other current asset	8	8,797	6,067
Total current assets		33,394	38,017
Non-current assets			
Other current assets	8	1,167	3,167
Plant and equipment	9	146,150	168,350
Intangible assets	10	3,167	5,167
Total non-current assets		150,484	176,684
Total assets		183,878	214,701
Current liabilities			
Trade and other payables	11	16,176	18,318
Borrowings - bank overdraft	6	157,074	60,658
Short term provisions	12	20,694	19,226
Total current liabilities		193,944	98,202
Total liabilities		193,944	98,202
Net assets		(10,066)	116,499
Equity			
Issued capital	13	869,959	869,959
Accumulated losses		(880,025)	(753,460)
Total equity		(10,066)	116,499

The accompanying notes form part of these financial statements.

Financial statements (continued)

Statement of Changes in Equity for the year ended 30 June 2017

	Note	Share capital \$	Accumulated losses \$	Total equity \$
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
Issue of share capital		-	-	-
Total comprehensive loss for the year		-	(126,565)	(126,565)
Subtotal		869,959	(880,025)	(10,066)
Dividends paid or provided for	19	-	-	-
Balance at 30 June 2017		869,959	(880,025)	(10,066)

The accompanying notes form part of these financial statements.

Financial statements (continued)

Statement of Cash Flows for the year ended 30 June 2017

	Notes	2017 \$	2016 \$
Cash flows from operating activities			
Receipts from customers		317,994	225,110
Payments to suppliers and employees		(413,514)	(417,099)
Interest received		-	325
Net cash used in operating activities	14	(95,520)	(191,674)
Cash flows from investing activities			
Purchase of property, plant and equipment		(700)	-
Net cash used in investing activities		(700)	-
Net increase / (decrease) in cash held		(96,220)	(191,674)
Cash and cash equivalents at beginning of financial year		(60,301)	131,373
Cash and cash equivalents at end of financial year	6	(156,521)	(60,301)

The accompanying notes form part of these financial statements.

Notes to the financial statements

For year ended 30 June 2017

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 5 September 2017 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.

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. Statement 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.

(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.

Notes to the financial statements (continued)

Note 1. Statement of significant accounting policies (continued)

(d) Goods and services tax (GST) (continued)

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.

(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.

Notes to the financial statements (continued)

Note 1. Statement of significant accounting policies (continued)

(l) Critical accounting estimates and judgements (continued)

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 2017. 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 2017 amounting to \$3,167.

(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.

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.

Notes to the financial statements (continued)

Note 1. Statement of significant accounting policies (continued)

(m) Financial instruments (continued)

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 2017. 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 \$126,565 and had net cash outflows from operating activities of \$95,520 for the year ended 30 June 2017. As at that date, the company had net current liabilities of \$160,550 and net liabilities of \$10,066.

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;
- (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.

Notes to the financial statements (continued)

	2017 \$	2016 \$
Note 2. Revenue		
Franchise margin income	308,324	247,864
Interest received	-	325
	308,324	248,189

Note 3. Expenses

Employee benefits expense		
- wages and salaries	226,194	228,649
- superannuation costs	21,010	21,229
- other costs	13,291	29,029
	260,495	278,907
Depreciation of non-current assets:		
- plant and equipment	700	-
- buildings	22,200	22,200
Amortisation of non-current assets:		
- intangible assets	2,000	2,000
	24,900	24,200

Note 4. Income tax

(a) The components of tax benefit comprise:

Current tax	-	-
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20 Annual Report Good Country Financial Services Limited

(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 27.5% (2016: 28.5%)	(34,805)	(59,598)
Add / (less) net tax effect of:		
- Other non-allowable items	704	3,698
- Other allowable items	(6,212)	(3,219)
- Prior year adjustment	2,689	(5,673)
- Tax losses carried forward not brought to account	37,625	64,792
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.

833,678	696,861
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2017 **2016**

Notes to the financial statements (continued)

	\$	\$
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Note 5. Auditors' remuneration

Remuneration of the Auditors of the company

- Audit services	5,100	5,125
- Other services	1,700	1,700
	6,800	6,825

Note 6. Cash and cash equivalents

Cash at bank and in hand	553	357
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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	553	
(Less) bank overdraft	(157,074)	(60,658)
As per the statement of cash flows	(156,521)	(60,301)

Note 7. Trade and other receivables

Current

Trade receivables:

Trade debtors	24,044	31,593
Total current receivables	24,044	31,593

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.

	2017 \$	2016 \$
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Note 8. Other assets

Current

Prepayments	6,797	3,946
Prepaid training costs	2,000	2,000
Other	-	121
	8,797	6,067

Notes to the financial statements (continued)

	2017 \$	2016 \$
Note 8. Other assets (continued)		
Non-current		
Prepaid training costs	1,167	3,167
	1,167	3,167

Note 9. Plant and equipment

Fit out costs

At cost	222,000	222,000
Less accumulated depreciation	(75,850)	(53,650)
	146,150	168,350

Plant and equipment

At cost	1,759	1,759
Less accumulated depreciation	(1,759)	(1,759)
	-	-
Total written down amount	146,150	168,350

Movements in carrying amounts

Fit out costs

Carrying amount at beginning of period	168,350	190,550
Additions	700	-
Disposals	-	-
Depreciation expense	(22,900)	(22,200)
Carrying amount at end of period	146,150	168,350

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	(6,833)	(4,833)
	3,167	5,167

Notes to the financial statements (continued)

Note 10. Intangible assets (continued)

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.

	2017 \$	2016 \$
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Note 11. Trade and other payables

Current

Trade creditors	4,241	4,330
Other creditors and accruals	8,951	9,459
GST payable	2,984	4,529
	16,176	18,318

Note 12. Provisions

Current

Employee entitlements	20,694	19,226
Number of employees at year end	8	6

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	(126,565)	(209,116)
Non cash items included in loss		
- Depreciation	22,900	22,900
- Amortisation of franchise fee	2,000	2,000
Movement in assets and liabilities		
- (Increase) decrease in receivables / other assets	6,819	(22,764)
- Increase (decrease) in payables	(2,142)	5,930
- Increase (decrease) in provisions	1,468	10,076
Net cash used in operating activities	(95,520)	(191,674)

Notes to the financial statements (continued)

Note 14. Statement of cash flows (continued)

(b) Credit standby arrangement and loan facilities

The company has put in place a bank overdraft facility amounting to \$230,000 (2016: \$230,000) 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 2017, \$156,521 of this facility was used (2016: \$60,658). Variable interest rates apply to this overdraft facility.

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	Chair
Andrew Martin	Appointed 31/5/2013	Non-Executive Director / Secretary
Louise Johnson	Appointed 11/6/2013	Non-Executive Director
David Brown	Appointed 15/10/2014	Non-Executive Director
Louise Densley	Appointed 5/7/2016	Non-Executive Director
Melody Mitton	Appointed 5/7/2016	Non-Executive Director
Penny Moorhouse	Appointed 8/7/2016	Non-Executive Director
Adrian Barber	Appointed 7/3/2017	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 a business owned by Andrew Martin paid \$909 for shed storage space at the rear of the branch.

Notes to the financial statements (continued)

Note 15. Related party transactions (continued)

(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 May 2013	1	-	-	1
James Ryan	Appointed 31 May 2013	1,051	-	-	1,051
Louise Johnson	Appointed 11 June 2013	10,001	-	-	10,001
David Brown	Appointed 15 October 2014	1,000	-	-	1,000
Louise Densley	Appointed 5 July 2016	-	-	-	-
Melody Mitton	Appointed 5 July 2016	550	-	-	550
Penny Moorhouse	Appointed 8 July 2016	-	-	-	-
Adrian Barber	Appointed 7 March 2017	1,000	-	-	1,000
		13,603			13,603

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.

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:

	2017 \$	2016 \$
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

Notes to the financial statements (continued)

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:

- 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

Notes to the financial statements (continued)

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:

		2017	2016
		\$	\$
Financial assets			
Cash & cash equivalents	6	553	357
Trade and other receivables	7	24,044	31,593
Total financial assets		24,597	31,950
Financial liabilities			
Trade and other payables	11	16,176	18,318
Bank overdraft	6	157,074	60,658
Total financial liabilities		173,250	78,976

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 Governance 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.

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.

		2017	2016
		\$	\$
Cash and cash equivalents:			
A rated		357	131,373

Notes to the financial statements (continued)

Note 22. Financial risk management (continued)

(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:

	Note	Total \$	Within 1 year \$	1 to 5 years \$	Over 5 years \$
30 June 2017					
Financial Liabilities due					
Trade and other payables	11	(16,176)	(16,176)	-	-
Bank overdraft	6	(157,074)	(157,074)	-	-
Total expected outflows		(16,176)	(16,176)	-	-
Financial assets - realisable					
Cash & cash equivalents	6	553	553	-	-
Trade and other receivables	7	24,044	24,044	-	-
Total anticipated inflows		24,597	24,597	-	-
Net (outflow)/inflow on financial instruments		40,773	40,773	-	-

	Note	Total \$	Within 1 year \$	1 to 5 years \$	Over 5 years \$
30 June 2016					
Financial Liabilities due					
Trade and other payables	11	(18,318)	(18,318)	-	-
Total expected inflows		(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	-	-

(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.

Notes to the financial statements (continued)

Note 22. Financial risk management (continued)

(c) Market risk (continued)

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

Financial assets

	2017 \$	2016 \$
Cash and cash equivalents (net of bank overdrafts)	-%	-%
Short-term investments:		
- held-to-maturity investments	-%	-%
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.

	Profit \$	Equity \$
Year ended 30 June 2017		
+/- 1% in interest rates (interest income)	-	-
	-	-
Year ended 30 June 2016		
+/- 1% in interest rates (interest income)	-	-
	-	-

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.

Notes to the financial statements (continued)

Note 22. Financial risk management (continued)

(d) Price risk (continued)

Capital management (continued)

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 2017 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 5 September 2017

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

Opinion

We have audited the financial report of Good Country Financial Services Limited (the Company), which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company 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 2017 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards to the extent described in Note 1, and the Corporations Regulations 2001.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Emphasis of matter – basis of accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the Corporations Act 2001. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2017, but does not include the financial report and the auditor's report thereon.

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AUDIT|TAX|CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

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Independent audit report (continued)



Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Corporations Act 2001 and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

A handwritten signature in black ink that reads 'D J Wall'.

D J Wall

A handwritten version of the RSM logo in black ink.

RSM Australia Partners

Adelaide, South Australia.

Dated: 11 September 2017

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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