

GOOMALLING & DISTRICTS COMMUNITY FINANCIAL SERVICES LIMITED

FINANCIAL REPORT

30 JUNE 2012

GOOMALLING & DISTRICTS COMMUNITY FINANCIAL SERVICES LIMITED

ABN 64 088 925 115

FINANCIAL REPORT

30 JUNE 2012

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GOOMALLING & DISTRICTS COMMUNITY FINANCIAL SERVICES LIMITED

DIRECTOR'S REPORT

Your directors present their report on the company for the year ended **30 June 2012**.

Directors

The names of the directors in office during the year are:-

Brian Carter

Christine Mary Van Gelderen

Ian Maxwell Clarke

Natalie Margaret Bird

Andrea Hardingham

Mark Johnston

Suzanne Woods

Craig Blair (appointed 27 October 2011)

Rodney Beck (appointed 27 October 2011)

The Directors have been in office since the start of the financial year, to the date of this report, unless otherwise stated.

Review of Operations

The profit of the company for the financial after income tax was **\$27690**.

Significant Changes in the State of Affairs

No significant changes in the state of affairs of the company occurred during the financial year.

Principal Activities

The principal activity of the company during the year was operating a branch of the Bendigo Bank at Goomalling, Western Australia pursuant to a franchise agreement, trading as "Goomalling & Districts Community Branch – Bendigo Bank".

Events Subsequent to the end of the Reporting Period

No matters or circumstances have arisen since the end of the financial period that significantly affected or may significantly affect the operations of the company, or the state of affairs of the company in subsequent financial years.

Likely Developments

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

Environmental Regulation

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

Dividends

A dividend of \$20333 was paid during the financial year.

Share Options

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

Indemnification of Officers

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company.

Proceedings On Behalf Of Company

No persons 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 such proceedings during the year.

GOOMALLING & DISTRICTS COMMUNITY FINANCIAL SERVICES LIMITED

DIRECTOR'S REPORT

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under the Corporations Act 2001 is included in this financial report.

Signed in accordance with a resolution of the directors

Andrea Hardingham
Director

Dated this 22nd day of October 2012

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF

GOOMALLING & DISTRICTS COMMUNITY FINANCIAL SERVICES LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Goomalling and Districts Community Financial Services Limited which comprises the statement of financial position as at **30 June 2012**, the statement of 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 of the company.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on 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*.

Auditor's Opinion

In our opinion the financial report of Goomalling and Districts Community Financial Services Limited is in accordance with the *Corporations Act 2001*, including:

- a. giving a true and fair view of the company's financial position as at **30 June 2012** and of its performance for the year ended on that date; and
- b. complying with Australian Accounting Standards – Reduced Disclosure Requirements (including Australian Accounting Interpretations) as described in Note 1 and the *Corporations Regulations 2001*.

Gregory Froomes Wyllie CPA
Perth Western Australia
22 October 2012

GOOMALLING & DISTRICTS COMMUNITY FINANCIAL SERVICES LIMITED

AUDITOR'S INDEPENDENCE DECLARATION

To the Directors of **Goomalling & Districts Community Financial Services Limited**

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended **30 June 2012** there have been:

- No contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- No contraventions of any applicable code of professional conduct in relation to the audit.

Gregory Froomes Wyllie CPA
Perth WA
22 October 2012

GOOMALLING & DISTRICTS COMMUNITY FINANCIAL SERVICES LIMITED

DIRECTORS' DECLARATION

The directors declare that the financial statements and notes set out in the Financial Report:

- (a) comply with Accounting Standards, the Corporations Regulations and other mandatory professional reporting requirements;
- (b) give a true and fair view of the company's financial position as at **30 June 2012** and of its performance, as represented by the results of its operations and its cash flows, for the year ended **30 June 2012**.

In the directors' opinion:

- (a) the financial statements and notes are in accordance with the Corporations Act 2001; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

Andrea Hardingham
Director

Dated this 22nd day of October 2012

GOOMALLING & DISTRICTS COMMUNITY FINANCIAL SERVICES LIMITED
STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 30 JUNE 2012

	Note	<u>2012</u> \$	<u>2011</u> \$
CURRENT ASSETS			
Cash		61349	48751
Receivables	5	40108	42346
TOTAL CURRENT ASSETS		<u>101457</u>	<u>91097</u>
NON-CURRENT ASSETS			
Property, plant and equipment	6	197106	204829
Intangibles	6	-	-
TOTAL NON CURRENT ASSETS		<u>197106</u>	<u>204829</u>
TOTAL ASSETS		298563	295926
CURRENT LIABILITIES			
Trade and other payables	8	16315	14385
Provision for Income Tax	9	(404)	(4676)
Provisions for employee entitlements	10	24100	13100
		<u>40011</u>	<u>22809</u>
NON-CURRENT LIABILITIES			
Financial Liability	11	<u>30561</u>	<u>52485</u>
TOTAL LIABILITIES		<u>70572</u>	<u>75291</u>
NET ASSETS		<u>227991</u>	<u>220635</u>
EQUITY			
Contributed equity	12	268500	268500
Accumulated losses	13	(40509)	(47865)
TOTAL EQUITY		<u>227991</u>	<u>220635</u>

The accompanying notes form part of these financial statements

GOOMALLING & DISTRICTS COMMUNITY FINANCIAL SERVICES LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2012

		<u>2012</u>	<u>2011</u>
	Note	\$	\$
Revenue from continuing activities	2	551910	573372
Employee benefits expense		(307882)	(287065)
Depreciation and amortisation expenses		(7722)	(7700)
Leasing of computer hardware and software		(19188)	(20236)
Donations to Charitable Funds		(24650)	(43231)
Other expenses from ordinary activities		(149778)	(194526)
		<hr/>	<hr/>
Profit from continuing operations before income tax	3	42690	20614
Income tax expense	4	15000	<hr/>
		<hr/>	<hr/>
Net profit for the year after income tax	13	27690	20614
		<hr/>	<hr/>

The accompanying notes form part of these financial statements

GOOMALLING & DISTRICTS COMMUNITY FINANCIAL SERVICES LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2012

	<u>2012</u> \$	<u>2011</u> \$
Equity at the beginning of the year	220635	220204
Net profit for the year after income tax	27690	20614
Dividend Paid	(20333)	(20183)
Income tax underprovided		-
	<hr/>	<hr/>
<u>Equity at the end of the year</u>	<u>227992</u>	<u>220635</u>

The accompanying notes form part of these financial statements

GOOMALLING & DISTRICTS COMMUNITY FINANCIAL SERVICES LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012	2011
		\$	\$
Cash flows from operating activities			
Interest received		1820	2430
Receipts from customers		552328	579302
Interest paid		(4052)	(7401)
Payments to suppliers and employees		(490971)	(544892)
Tax paid		(4272)	(29478)
 Net cash provided by operating activities	 15(b)	 <u>54855</u>	 <u>(38)</u>
 Cash flows from other activities			
Payment of Dividend		(20333)	(20183)
Receipt of loan		—	—
Payment for property		—	(15624)
Repayment of loan		(21924)	(18636)
 Net cash used in other activities		 <u>(42257)</u>	 <u>(54443)</u>
 Net increase in cash held		 12598	 (54481)
 Cash held at the beginning of the financial year	 15(a)	 <u>48751</u>	 <u>103232</u>
 Cash held at the end of the financial year	 15(a)	 <u>61349</u>	 <u>48751</u>

The accompanying notes form part of these financial statements

GOOMALLING & DISTRICTS COMMUNITY FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The company has elected to early adopt amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements commencing 1 July 2011.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards- Reduced Disclosure Requirements of the Australian Accounting Standards Board and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless otherwise stated.

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

Accounting Policies

(a) Income tax

The income tax expense for the year comprises current income tax expense where applicable and deferred tax expense.

Current income tax expense is the tax payable on taxable income.

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

Deferred tax assets and liabilities are ascertained based on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax asset also arise where amounts have been fully expensed but future tax deductions are available.

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

(b) Property, plant and equipment

Property, plant and equipment are measured on the cost basis less accumulated depreciation and impairment losses. The carrying amount of property, plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected cash flows have not been discounted to present values in determining recoverable amount.

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, are depreciated over their useful lives commencing from the time the asset is held ready for use. Properties held for investment purposes are not subject to a depreciation charge. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Depreciation rates for buildings, plant and equipment are in the range 2.5%-20%.

GOOMALLING & DISTRICTS COMMUNITY FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(c) Leases

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

(d) Financial Instruments

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this equivalent to the date that the company commits itself to either purchase or sell the asset ie trade accounting is adopted.

Financial instruments are subsequently measured at fair value. Fair value represents the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties.

(e) Impairment of Assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

(f) Employee Entitlements

Provision is made for the company's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at their nominal amount. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those entitlements.

(g) 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 benefits will result.

(h) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand deposits held at call and short-term investments.

(i) Revenue and Other Income

Revenue comprises management, brokerage and other fees.

(j) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period for goods and services received by the company during the reporting period, which remain unpaid.

(k) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of GST.

GOOMALLING & DISTRICTS COMMUNITY FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

(l) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated in the financial statements based on knowledge and best available current information.

(m) Going Concern

The financial statements have been prepared on a going concern basis.

GOOMALLING & DISTRICTS COMMUNITY FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

	<u>2012</u> \$	<u>2011</u> \$
2. REVENUE		
Operating activities		
Franchise margin income	551910	573372
	<hr/>	<hr/>
	551910	573372
	<hr/>	<hr/>

3. OPERATING RESULTS

The profit from ordinary activities before income tax have been determined after:

(a) **Expenses**

- Donation to Charitable Fund	24650	43231
- Bad and doubtful debts	27	1836
- Depreciation of plant and equipment	7722	7700
- Auditor's remuneration		
- Audit or review	4000	3550
- Other services	2000	2000

GOOMALLING & DISTRICTS COMMUNITY FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

	<u>2012</u> \$	<u>2011</u> \$
4. INCOME TAX		
Current Liability		
Income Tax Payable	<u>(404)</u>	<u>(4676)</u>
Deferred tax assets have not been brought to account, the benefits of which will only be realised if the conditions set out in Note 1 (a) apply		

GOOMALLING & DISTRICTS COMMUNITY FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

	<u>2012</u> \$	<u>2011</u> \$
5. RECEIVABLES (CURRENT)		
Trade debtors	40108	42346
	<hr/>	<hr/>
	40108	42346
	<hr/>	<hr/>
6. PROPERTY, PLANT AND EQUIPMENT		
Property, Plant and Equipment		
Cost	274488	274488
Accumulated depreciation	<u>(77382)</u>	<u>(69660)</u>
	197106	204828
	<hr/>	<hr/>
Movement in carrying amount		
Balance at the beginning of the year	204828	196905
Additions	-	15623
Disposals	-	-
Depreciation expense	<u>(7722)</u>	<u>(7700)</u>
Carrying amount at the end of the year	<hr/> 197106	<hr/> 204828

GOOMALLING & DISTRICTS COMMUNITY FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

	<u>2012</u> \$	<u>2011</u> \$
7. INTANGIBLE ASSET		
Formation expenditure		
Cost	15957	15957
Accumulated amortisation	<u>15957</u>	<u>15957</u>
	<u>-</u>	<u>-</u>
Franchise fee		
Cost	50000	50000
Accumulated amortisation	<u>50000</u>	<u>50000</u>
	<u>-</u>	<u>-</u>
<p>Pursuant to a franchise agreement with the Bendigo Bank that commenced in 1999, the Company operates a branch of the Bendigo Bank at Goomalling, trading as "Goomalling & Districts Community Branch – Bendigo Bank", providing a core range of banking products and services. The Company entered into a franchise agreement at a cost of \$50000 that has been amortised on the basis disclosed above.</p>		
8. DONATIONS TO CHARITABLE FUNDS		
<p>Donations to Community Enterprise Charitable Funds made during the year- the amounts are fully deductible for income tax purposes.</p>		
9. PAYABLES – CURRENT LIABILITY		
Trade creditors and accruals	<u>16315</u>	<u>14385</u>
10. TAX LIABILITIES		
Provision for Income Tax	<u>(404)</u>	<u>(4676)</u>

GOOMALLING & DISTRICTS COMMUNITY FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

	<u>2012</u> \$	<u>2011</u> \$
11. PROVISIONS – CURRENT LIABILITY		
Employee entitlements	<u>24100</u>	<u>13100</u>
12. INTEREST BEARING LIABILITY		
The company has received loan monies from the Shire of Goomalling and Bendigo Bank for the purpose of financing activities including the acquiring of land and building in Goomalling	<u>30561</u>	<u>52482</u>
13. CONTRIBUTED EQUITY		
(a) Fully paid shares		
268500 Ordinary shares fully paid	<u>268500</u>	<u>268500</u>
(b) Movements in fully paid shares		
At the beginning of the reporting period	<u>268500</u>	<u>268500</u>
At the end of the reporting period	<u>268500</u>	<u>268500</u>
14. ACCUMULATED LOSSES		
Accumulated losses at the beginning of the year	(47865)	(48296)
Dividend	(20333)	(20183)
Net profit after income tax	25990	20614
Income tax underprovided		-
Accumulated losses at the end of the year	<u>(42209)</u>	<u>(47865)</u>

GOOMALLING & DISTRICTS COMMUNITY FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

15. RELATED PARTY INFORMATION

Key Management Personnel

Any person having authority and responsibility for directing and controlling the activities of the company, directly or indirectly, including any director is considered key management personnel.

Remuneration of directors

No income was paid or was payable, or otherwise made available, to the directors of the Company during the year ended 30 June 2012

	<u>2012</u> \$	<u>2011</u> \$
16. NOTES TO THE STATEMENT OF CASH FLOWS		
(a) Reconciliation of cash		
For the purpose of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:		
Cash on hand	<u>59499</u>	<u>48751</u>
(b) Reconciliation of net cash provided by operating and investment activities to profit from ordinary activities		
Profit from ordinary activities	27690	20614
Depreciation and amortisation	7723	7700
Movement in assets and liabilities		
Receivables	2238	8360
Other assets	-	-
Payables	6204	(31563)
Provisions	<u>11000</u>	<u>(5150)</u>
Net cash provided by operating activities	<u>54855</u>	<u>(38)</u>

GOOMALLING & DISTRICTS COMMUNITY FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

GOOMALLING & DISTRICTS COMMUNITY FINANCIAL SERVICES LIMITED

NOTES TO OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

17. FINANCIAL RISK MANAGEMENT

(a) Financial assets and Financial Liabilities

An entity is required to disclose information that enables users to evaluate the significance of financial instruments for its financial position and performance. Where relevant, disclosure of the carrying amount of financial assets and financial liabilities is also required.

(b) Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial statements.

(c) Net fair values

The net fair value of financial assets and liabilities of the company approximates their carrying amount.

The company has no financial assets and liabilities where the carrying amount exceeds the net fair value at balance date.

No financial assets and financial liabilities are readily traded on organised markets in standardised form.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

18. COMPANY DETAILS

The registered office and principal place of business of the Company is:

35 Railway Terrace
GOOMALLING WA 6460