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GOOMALLING & DISTRICTS COMMUNITY FINANCIAL SERVICES LIMITED

ABN 64 085 925 115

ANNUAL REPORT 2014

REGISTERED ADDRESS:

GOOMALLING & DISTRICTS COMMUNITY BANK® BRANCH

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Bendigo and Adelaide Bank report

For year ending 30 June 2014

The past year marked two very significant milestones for our **Community Bank**[®] network, celebrating the opening of its 300th branch while also reaching \$120 million in community contributions. Both achievements could not have been accomplished without your ongoing support as shareholders and customers.

The **Community Bank**[®] network has grown considerably since it was first launched in 1998, in partnership with the people from the western Victorian farming towns of Rupanyup and Minyip. For these communities the **Community Bank**[®] model was seen as a way to restore branch banking services to the towns, after the last of the major banks closed its doors.

Sixteen years later, the model has grown into something even bigger than that. It has rapidly developed into a partnership that generates a valued, alternative source of income for a community, funding activities or initiatives that make a local town or suburb a better place to live.

In June 2014, the network welcomed its 305th branch in Penola, South Australia, and in the same week, the Victorian coastal town of Port Fairy introduced its community to our unique style of banking. These branches join a robust and maturing banking network where valued partnerships enhance banking services, taking the profits their banking business generates and reinvesting that funding into initiatives that will ultimately strengthen their community.

The **Community Bank**[®] network has returned more than \$20 million in contributions to local communities in this financial year alone. Our branches have been able to fund projects that make a difference to a community; improved health services, sports programs, aged care facilities, education initiatives and community events that connect communities and encourage prosperity.

Demand from communities remains strong, with about 30 **Community Bank**[®] branch sites currently in development, and 10 branches expected to open nationally in the next 12 months. The network's steady expansion demonstrates the strength and relevance of a banking model where the desire to support the financial needs of customers is equalled by the desire to realise shared aspirations by harnessing the power of community.

At the end of the financial year 2013/14 the **Community Bank**[®] network had achieved the following:

- Returns to community – \$122.2 million
- **Community Bank**[®] branches – 305
- **Community Bank**[®] branch staff – more than 1,500
- **Community Bank**[®] company Directors – 1,900
- Banking business – \$24.46 billion
- Customers – 550,000
- Shareholders – 72,000
- Dividends paid to shareholders since inception – \$36.7 million.

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

Bendigo and Adelaide Bank report (continued)

In September last year the Bank announced it would commence a comprehensive review of the **Community Bank**[®] model. The intention of the review is to rigorously explore and analyse the model, setting the vision and strategy for a sustainable and successful commercial model, regardless of changes to operational and market conditions. An update of this review will be provided at the **Community Bank**[®] National Conference in Darwin in September.

Bendigo and Adelaide Bank's vision is to be Australia's most customer-connected bank. We believe our strength comes from our focus on the success of our customers, people, partners and communities. We take a 100-year view of our business; we respectfully listen and respond to every customer's choice, needs and objectives. We partner for sustainable long-term outcomes and aim to be relevant, connected and valued.

To this aim, the Bank supports the Financial Systems Inquiry (FSI) which calls for an even playing field for all banks in an effort to increase customer choice. It takes a principled approach to governing, encouraging banks to consider all members of a community when they do business.

Bendigo and Adelaide Bank is a signatory to the Regional Banking submission in collaboration with Bank of Queensland, Suncorp and ME Bank, while our independent submission focuses on the important role banks play in communities.

Banks inject a high-level of capability and knowledge in the places they operate, supporting the sustainability of communities and helping to ensure they're viable. The Bank calls for a framework that incentivises banks, and the people who work for them, to be good corporate citizens, while promoting ethical decision making, innovation and better outcomes for customers and communities.

This financial year we launched our new www.bendigobank.com.au website. Packed with useful information and easy to access online services, our 1.4 million customers can easily connect with us at home, at work or on their mobile or tablet as well as learn more about our commitment to strengthening and supporting local communities.

In line with increasing demand for "anywhere, anytime" banking, we're excited about the impending introduction of our improved online banking platform to our customers later this year.

As **Community Bank**[®] shareholders you are part of something special, a unique banking movement founded on a whole new way of thinking about banking and the role it plays in modern society.

The **Community Bank**[®] model is the ultimate example of a win/win partnership and I thank you for your important support of your local **Community Bank**[®] branch.



Robert Musgrove
Executive Community Engagement

Co Chairs report Goomalling and Districts Financial Services Limited

It probably seemed a long way off in 1999, but Goomalling and Districts Financial Services Limited is about to celebrate our 15th year of providing banking services in the Goomalling community. Over that time we have given over \$300,000 back to the community in donations, sponsorships and dividends which is a phenomenal result. Of course none of this would have been possible if the community hadn't got behind the concept in the first place and the **Community Bank**[®] model hadn't been available. Along with the funds contributed back to the community, there is also the benefit of an additional business operating in the town and the agency in Victoria Plains which both provide financial services to the district and also offer additional local employment. All in all, a great range of accomplishments well worth celebrating.

Our significant achievements in 2013/14 financial year include the development and implementation of the GDCFS strategic plan, re-negotiating our franchise agreement with Bendigo and Adelaide Bank, making the final payment on the bank building loan, restructure of our sponsorship processes, agreement to provide significant support to the Goomalling Sports Council for the new facility to be built at the Goomalling oval, entry into the world of social media through our Facebook page, installation of entry road signs promoting the bank at either end of Goomalling town site, providing \$5,000 toward the purchase of a tractor for the Goomalling Golf Club, committing to placing a permanent 24-hour ATM in Calingiri, and last but by no means least preparing and holding the 15th birthday celebrations.

Behind the scenes, we have a Board of Directors who volunteer their time and expertise to ensure that the business is profitable and meets all standards required. Craig Blair resigned his position during the last 12-month period and Christine VanGelderren retired after more than 12 years as a Director. Thanks to both for your valued contributions over your time with the Board. It has been a pleasure to welcome Terry Brennan and Roly VanGelderren as new Directors. Whilst there is a level of responsibility that comes with becoming a Director, the rewards of seeing the benefits of the **Community Bank**[®] model are well worth the effort. Thanks to all the Directors who work hard to ensure that the business continues to grow and meet the needs of customers and community. Thanks also to the support received from Bendigo and Adelaide Bank which makes all of the above much easier.

The branch operates with a fantastic team of staff very ably led by our Manager, Jenni Barlow. Our staff are our strength and work hard to provide quality customer service in both the branch and the agency. Jenni has been tireless in her efforts to ensure that the banking services provided to the community are always of the highest standard. The turnover of the branch has continued to grow and we have been able to retain sound profit levels in a financial environment where margins are becoming tighter. On behalf of the Board, we acknowledge Jenni's achievements and those of the staff in ensuring the business is always performing at its best.

This year sees a return of 5% to shareholders. This is in line with recommendations from our Auditors and ensures that the branch is able to continue to retain the balance between supporting the local community, provide return on investment to shareholders and maintain a sustainable business operation.

The Board agreed to operate with Co-Chairs for 2014, a decision which has worked well, with either one or both Chairs being available to meet commitments required. With thanks to Chrissie Barratt who very proficiently looks after Board administration, our monthly meetings run smoothly and efficiently.

For our 16th year, we look forward to seeing the branch go from strength to strength both as a business and also as a community asset.

Co-Chairs

Suzanne Woods

Brian Carter

MANAGER'S REPORT 2013/2014

I know it's a cliché but 'this year has really flown'!

We've had a few more staff adjustments but, once again, we have a dedicated, enthusiastic team who are truly focussed on delivering exceptional customer service.

It's been a big year for us at your **Community Bank®** branch. We've had a fantastic year and we love the fact that more and more locals are coming into the branch. We really enjoy taking care of our customers and look forward to welcoming more locals from Goomalling and districts.

I have worked hard on my four pillars during this financial year as I reported in my last report:

1. re-establish our positive reputation
2. promote and encourage happy staff
3. support our agency in Calingiri and increase our presence in the town
4. develop agribusiness

With the help of my team I truly believe we have made sound progress, but we continue on our journey.

I appreciate the support of my Board of Directors, especially Terry Brennan's handyman prowess. I thank my husband for his support, patience and hard work.

I'm extremely proud of my team Chrissie Barratt, Peta Anne Brennan, Louise Broun, Lisa Smith and Peta Watson and thank them for their hard work, commitment and giving up of their own time for our community events.

Our most important message is 'the more our community banks with us the more we give directly back to our community'. Our share of our profits doesn't go into some corporate black hole. It stays with us to be given back to our community.

Jenni Barlow
Branch Manager

GOOMALLING & DISTRICTS COMMUNITY FINANCIAL SERVICES LIMITED

ABN 64 088 925 115

FINANCIAL REPORT

30 JUNE 2014

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**The registered office and principal place of business of the company is:
35 Railway Terrace
GOOMALLING WA 6460**

GOOMALLING & DISTRICTS COMMUNITY FINANCIAL SERVICES LIMITED

DIRECTOR'S REPORT

Your directors present their report on the company for the year ended **30 June 2014**.

Directors

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

Brian Carter

Roly Van Gelderen (appointed during the year)

Ian Maxwell Clarke

Natalie Margaret Bird

Andrea Hardingham

Brian Brennan (appointed during the year)

Suzanne Woods

Ian Graham

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 **\$39766**.

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 \$13720 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 10th day of September 2014

DIRECTOR'S 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 2014** and of its performance, as represented by the results of its operations and its cash flows, for the year ended **30 June 2014**.

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 10th day of September 2014

**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 2014**, 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 2014** 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
10 September 2014



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 2014** 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
10 September 2014

GOOMALLING & DISTRICTS COMMUNITY FINANCIAL SERVICES LIMITED
STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 30 JUNE 2014

	Note	<u>2014</u> \$	<u>2013</u> \$
CURRENT ASSETS			
Cash		68974	46898
Receivables	5	52892	44290
		<hr/>	<hr/>
TOTAL CURRENT ASSETS		121866	91188
NON-CURRENT ASSETS			
Property, plant and equipment	6	191013	198974
Intangibles	6	-	-
		<hr/>	<hr/>
TOTAL NON CURRENT ASSETS		191013	198974
		<hr/>	<hr/>
TOTAL ASSETS		312879	290162
CURRENT LIABILITIES			
Trade and other payables	8	20374	21490
Provision for Income Tax	9	4886	(8791)
Provisions for employee entitlements	10	20500	11500
		<hr/>	<hr/>
		45760	24199
NON-CURRENT LIABILITIES			
Financial Liability	11	4221	29111
		<hr/>	<hr/>
TOTAL LIABILITIES		49981	53310
		<hr/>	<hr/>
NET ASSETS		262898	236852
EQUITY			
Contributed equity	12	268500	268500
Accumulated losses	13	(5602)	(31648)
		<hr/>	<hr/>
TOTAL EQUITY		262898	236852
		<hr/>	<hr/>

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 2014

		<u>2014</u>	<u>2013</u>
	Note	\$	\$
Revenue from continuing activities	2	553467	551946
Employee benefits expense		(270008)	(239080)
Depreciation and amortisation expenses		(7962)	(7722)
Leasing of computer hardware and software		(20054)	(18788)
Donations and sponsorship		(42453)	(26219)
Other expenses from ordinary activities		<u>(153224)</u>	<u>(225745)</u>
Profit from continuing operations before income tax	3	59766	34392
Income tax expense	4	<u>20000</u>	<u>5240</u>
Net profit for the year after income tax	13	<u>39766</u>	<u>29152</u>

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2014

	<u>2014</u>	<u>2013</u>
	\$	\$
Equity at the beginning of the year	236852	227992
Net profit for the year after income tax	39766	29152
Dividend Paid	(13720)	(20292)
Income tax underprovided	-	-
<u>Equity at the end of the year</u>	<u>262898</u>	<u>236852</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 2014

	Note	2014 \$	2013 \$
Cash flows from operating activities			
Interest received		863	966
Receipts from customers		544002	553644
Interest paid		(3627)	(26436)
Payments to suppliers and employees		(474229)	(502907)
Tax paid		(6323)	(8387)
Net cash provided by operating activities	15(b)	<u>60686</u>	<u>16881</u>
Cash flows from other activities			
Payment of dividend		(13720)	(20292)
Receipt of loan		-	-
Payment for property		0	(9590)
Repayment of loan		(24890)	(1450)
Net cash used in other activities		<u>(38610)</u>	<u>(31332)</u>
Net increase in cash held		22076	(14451)
Cash held at the beginning of the financial year	15(a)	<u>46898</u>	<u>61349</u>
Cash held at the end of the financial year	15(a)	<u>68974</u>	<u>46898</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 2014

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The company has elected to adopt amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements.

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 2014

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. Any 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 2014

(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.

	<u>2014</u>	<u>2013</u>
	\$	\$
2. REVENUE		
Operating activities		
Franchise margin income	552604	538984
	<hr/>	<hr/>
	552604	538984
	<hr/>	<hr/>

3. OPERATING RESULTS

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

(a) Expenses

- Donations and sponsorship	42453	26219
- Bad and doubtful debts	0	495
- Depreciation of plant and equipment	7962	7722
- Auditor's remuneration		
- Audit or review	5000	5000
- Other services	2200	2350

4. INCOME TAX

Current Liability

Income Tax Payable

4886	<u>(8791)</u>
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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

5. RECEIVABLES (CURRENT)

Trade debtors	52892	44290
	<hr/>	<hr/>
	52892	44290
	<hr/>	<hr/>

GOOMALLING & DISTRICTS COMMUNITY FINANCIAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	<u>2014</u> \$	<u>2013</u> \$
6. PROPERTY, PLANT AND EQUIPMENT		
Property, Plant and Equipment		
Cost	284708	284078
Accumulated depreciation	<u>(93695)</u>	<u>(85104)</u>
	<u>191013</u>	<u>198974</u>
Movement in carrying amount		
Balance at the beginning of the year	198974	197106
Additions	0	9590
Disposals	-	-
Depreciation expense	<u>(7962)</u>	<u>(7722)</u>
Carrying amount at the end of the year	<u>191012</u>	<u>198974</u>
6. 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>		
7. DONATIONS TO CHARITABLE FUNDS		
Donations/sponsorship to Community Charitable Funds made during the year- the amounts are fully deductible for income tax purposes.	<u>42453</u>	<u>26219</u>
8. PAYABLES – CURRENT LIABILITY		
Trade creditors and accruals	<u>20374</u>	<u>21490</u>

GOOMALLING & DISTRICTS COMMUNITY FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	<u>2014</u> \$	<u>2013</u> \$
9. TAX LIABILITIES		
Provision for Income Tax	<u>4886</u>	<u>(8791)</u>
10. PROVISIONS – CURRENT LIABILITY		
Employee entitlements	<u>20500</u>	<u>11500</u>
11. 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>4221</u>	<u>29111</u>
12. 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>
13. ACCUMULATED LOSSES		
Accumulated losses at the beginning of the year	(31648)	(40509)
Dividend	(13720)	(20292)
Net profit after income tax	39766	29152
Income tax underprovided	<u>-</u>	<u>-</u>
Accumulated losses at the end of the year	<u>(5602)</u>	<u>(31648)</u>

14. 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 2014

GOOMALLING & DISTRICTS COMMUNITY FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

2014 2013
\$ \$

15. 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>68974</u>	<u>46898</u>
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(b) Reconciliation of net cash provided by operating and investment activities to profit from ordinary activities

Profit from ordinary activities	39766	29152
Depreciation and amortisation	7961	7723
Movement in assets and liabilities		
Receivables	(8602)	(6436)
Other assets	-	-
Payables	12561	(958)
Provisions	<u>9000</u>	<u>(12600)</u>
Net cash provided by operating activities	<u>60686</u>	<u>16881</u>

16. 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.