Annual Report 2015

Gympie & District Financial Services Limited

ABN 79 113 293 173

Gympie & District **Community Bank®** Branch

Contents

Chairman's report

For year ending 30 June 2015

As we have recently celebrated our 10th birthday, I feel it is appropriate to reminisce over the past 10 years.

In 2003, several ladies for the Albert Ladies Bowls Club attended a carnival in Bundaberg where they received a 'Bendigo' pen, upon returning home one of the ladies asked "Why can't Gympie have a **Community Bank**® branch?"

That's where it all begun, an information meeting was held and people were invited to form a steering committee. The earliest minutes note that nine people were in attendance with a further five apologies. The minutes of the 4 August 2003 meeting, recorded Piri Edwards, Trevor Tramacchi, Rens Poels, Jim Kefford and myself as present with two apologies.

Following this meeting the next 12 months was spent collecting pledges in Mary Street, Markets at Gympie South School, in shopping centres and at the Gympie Show. As Florence and Noreen spent many days walking up and down Mary Street talking to people, they affectionately become known as our 'street walkers'.

An extraordinary meeting of the Steering Committee was held on 14 July 2004 when Tracy Wilson and Malcolm Frizzell led us through the feasibility stage where we gained $700,000 in pledges from 400 people. A loan of $13,000 from the then Cooloola Shire Council enabled this to happen.

The lease on the premises at 68 Mary Street was signed on 31 March 2005, followed by a public launch held at the Civic Centre on the 20 April. At the launch $800,000 was received from 350 shareholders, leading to the opening of the branch on 27 June 2005. The Directors of the company were Chairman Ray Bird, Treasurer Rens Poels, Secretary Vicki Shapcott and Florence Dennis, John Joyce, Michael Thornley, Lesley O'Hern, Beven Webb and myself as Directors.

On Ray Bird's resignation, Beven became Chairman. Both the number of customers and business grew steadily, so that two years after opening we had 1,807 accounts with almost $25.5 million of business. Small grants and sponsorships were soon being made. In May 2009, we welcomed our new Manager, Mick McCarthy following on from Michael Thornley. Later that year Beven stepped down as Chairman and I took on the role.

Will Bauer, took over as Secretary from Vicki and he later handed over the reins to Rae Gate. We have assisted numerous organisations, and our marquees are often at events around the region. The list continues to grow. Our single biggest financial contribution is to the Scholarship Program which assists students financially to attend University. Two have completed the two-year program, two more are currently attending University away from Gympie and we also have two students at the Gympie Campus of the Sunshine Coast University. So far we have contributed $39,000 to this program alone. Our accounts now number in excess of 3,000 and our total community contributions have now reached $211,000.

Chairman's report (continued)

Financial year	Community contributions $
2005/06	1,060
2006/07	1,500
2007/08	2,566
2008/09	5,444
2009/10	7,150
2010/11	9,700
2011/12	33,868
2012/13	44,050
2013/14	38,985
2014/15	66,760
Totals	**211,083**

Financial year	Dividends to shareholders $	
	Cents per share	Total dividends
2010/11	2.5	20,000
2011/12	5.0	40,000
2012/13	7.5	60,000
2013/14	6.0	48,000
2014/15	6.0	48,000
Totals		**216,000**

We have only achieved this through the banking that you, our customers have brought to us, the dedication of our staff and the volunteer work of the Directors both past and present. While all our staff go the extra mile, I would particularly like to mention Lizette Milne who formed part of the original staff and both Kassandra Cain and Andrea Raynel who have both been with us for over eight years. I would also like to especially thank the spouses of Directors, namely Lisbeth, for the many, many hours Rens has dedicated as Treasurer and my husband Jim for the support he has given both the **Community Bank**® branch and me, especially since I became Chair.

At our birthday celebration 27 June 2015 at the Albert Park Bowls Club, Bendigo Bank, the Gympie Regional Council, customers, shareholders, scholarship recipients, sponsored organisations and Board members both past and present joined the celebration.

On our recent trip to the **Community Bank**® conference in Mackay we were able to exchange success stories amongst the network, from this we were delighted to learn of so many inspiring ideas. From this, we were able to bring back to our Board of Directors a fresh new set of ideas and initiatives that we help with prosper our future in the community.

Whilst in Mackay I also purchased a book which I believe is worth mentioning. It's about the Cook family who were pioneers of the Mackay region, and from it I quote, 'The tapestry of history is woven from all the myriad threads of individual experiences, so we are all contributing to a happening which will be remembered far into the future.'
I feel we are all doing this for both banking and the Gympie Region.

E. G. Thomson

Elaine Thomson
Chairperson

Manager's report

For year ending 30 June 2015

I am pleased to report the Board and shareholders on another successful year of trading in Gympie & District **Community Bank**® Branch.

After another good year for the branch we have been able to grow our business footings by approximately $5.3 million to $58.3 million and the company continues to pay dividends to shareholders. Our account numbers have risen from 2,967 to 31,65 this financial year.

In June we celebrated our 10th birthday with a wonderful function for our shareholders and guests to join the celebrations and achievements we have seen over the past decade.

We also recognised two of our scholarship recipients on the evening. These have been a significant contribution back to our community with a total of six recipients now and growing each year.

There are two projects that I would like to highlight that we are happy to be a part of, The Life Education Van and the Roadcraft Driver Education Specialist centre.

The Life Education Van is home to Harold the Giraffe, who teaches Drug and Health Education to the children in our region. In the 35 years that it has been operating, over five million children have now participated in the program. Education throughout our region is high on our priority list to ensure we assist with keeping local people in local jobs well in to the future.

Another community commitment we are proud to be associated with is The Roadcraft Driver Education Specialist Centre. This fantastic facility caters from Primary School children learning their first road rules on a bike through to corporate training. Did you know this is also the preferred facility for our Queensland Ambulance to develop driving skills?

Further to the above we are also proud to sponsor Hope Reins Inc., Mary Valley Arts Link, Heart of Gold and Gympie Cats Junior AFL Club just to name a few in this year.

I would now like to acknowledge to our Board members, all of who volunteer their valuable time. Without them we would not have a **Community Bank**® branch. They are wonderful ambassadors for the branch and work tirelessly to promote and support the branch. It was good see a couple of new Directors join the Board during the past year and they have already made valuable contributions.

Next I would like to thank our hard working staff, Andrea, Doret, Kassandra, Sandie and Jo whose dedication and excellent service continue to assist the branches success. Sadly, Kerri Gilson has now moved to Bendigo to progress her career within Bendigo Bank after working with us for three years. Please join me in wishing Kerri well for her future.

Over the year we have also received valuable support from within the Bendigo Bank network. This spans from the State Support team, through to our Business Banker Paul Hampson, Peter Bourke and Godwin Misfud from our Wealth team, Ian Heard from Rural Bank to Robyn Kirkham who assistance us with our Merchant Facilities. Rebecca Barbaro from our Community Sector Banking team has now returned from 12 months maternity leave, we welcome her back and invite you to speak with her regarding any Not for Profit organisation questions you may have.

To finish off, I would like to encourage all of you to be an ambassador for the company and encourage your family, friends and business connections to consider Gympie & District **Community Bank**® Branch as a local banking alternation, keeping local money and local jobs in our community.

Manager's report (continued)

We are a full service bank, and if you have not been in lately, I ask you to please call in and speak with me about how we can assist you with any of your banking and finance needs. We are open Monday to Friday 9.00am to 5.00pm and Saturday mornings 9.00am to 12noon.

Kind regards,

Mick McCarthy
Branch Manager

Directors' report

For the financial year ended 30 June 2015

Your Directors present their report of the company for the financial year ended 30 June 2015.

Directors

The following persons were Directors of Gympie & District Financial Services Limited during or since the end of the financial year up to the date of this report:

Name and position held	Qualifications	Experience and other Directorships
Elaine Thomson Board member since 2005 Chairperson	Retired School Teacher and Shop Owner	Board member of Heart of Gold Intern. Film Festival, Member of Cooloola Human Services Network, Coolarts and the Core Garden Group.
Rae Gâté Board member since 2007 Company Secretary	Regional Councillor	Assoc. Dip Business, Dip Local Government Admin, Cert 4 Training and Assessment, President Community Action Inc. Board.
Rens Poels Board member since 2005 Treasurer	Retired Computer Engineer	Qualified Electrical Mechanic. Diploma Electrical Engineering. Volunteered with SES and Rural Fire Service.
William Bauer Board member since 2008 Director (Resigned 19 November 2014)	Retired Civil Engineer	Company Secretary, Principal Engineer for Engineering Consultancy and Management Services, Community Service with APEX and Lions.
Christopher Hodges Board member since 2007 Director	Business Owner	No other Directorships.
Mark Onion Appointed 4 December 2013 Director (Resigned 1 July 2015)	Presentation Leader	Committee member Gympie Local Ambulance, Bachelor of Visual Arts from QUT, President Lions Club, Navy Cadets Support Group, Customer Service and Sales Manager Dept Stores.
Prue Sheehan Appointed 2 April 2014 Director	Artist/Ceramicist School Teacher	Bachelor of Visual Arts, Graduate Diploma of Education, Cert 4 Workplace Training and Assessment, Volunteer for Neighbourhood Watch and local church, . Past board member of Qld Potters Association.

Directors (continued)

Name and position held	Qualifications	Experience and other Directorships
Sean Connolly Appointed 3 December 2014 Director	Community Development Worker	**Diplomas of:** Management, Vocational Education and Training, Training Design and Development. ***Certificates VI in:*** Front Line Management, Mental Health, Community Services Work, Training and Assessment. ITIL Foundation Certificate in IT Services Management. **Former Board member:** Gold Rush Festival, Avenues Disability Lifestyle Assoc., Roadcraft Driver Educ Centre, Cooloola Schools Cluster. **Current Board Committee member:** Cooloola Human Services network, Cooloola Aboriginal Services, Gympie Naidoc Committee, Gympie Relay for Life. 11 Years in various IT roles in Telstra. 11 Years in varius Community roles
Gaylene Smith Appointed 6 May 2015 Director	Extend Consulting: Funding, Planning, Development.	Director/Company Secretary of Rattler Railway Company Limited

Directors were in office for this entire year unless otherwise stated

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

Principal activities

The principal activities of the company during the course of the financial year were in providing **Community Bank**® services under management rights to operate a franchised branch of Bendigo and Adelaide Bank Limited.

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

Review of operations

The loss of the company for the financial year after provision for income tax was ($16,504) (2014 profit: $27,858), which is a 159% decrease as compared with the previous year.

The net assets of the company have decreased to $285,564 (2014: $350,069). The decrease is largely due to the payment of a dividend to shareholders.

Dividends

Dividends paid or declared since the start of the financial year.

	Year ended 30 June 2015	
	Cents Per Share	$
Dividends paid in the year: final dividend	6	48,001

Directors' report (continued)

Options

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

Significant changes in the state of affairs

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

Events subsequent to the end of the reporting period

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

Remuneration report

Remuneration policy

There has been no remuneration policy developed as Director positions are held on a voluntary basis and Directors are not remunerated for their services.

Remuneration benefits and payments

Other than detailed below, no Director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company, controlled entity or related body corporate with a Director, a firm which a Director is a member or an entity in which a Director has a substantial financial interest. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by Directors shown in the company's accounts, or the fixed salary of a full-time employee of the company, controlled entity or related body corporate.

The Gympie & District Financial Services Limited has not accepted the Bendigo and Adelaide Bank Limited's **Community Bank**® Directors' Privileges package. The package is available to all Directors who can elect to avail themselves of the benefits based on their personal banking with the branch. There is no requirement to own Bendigo and Adelaide Bank Limited shares and there is no qualification period to qualify to utilise the benefits. The package mirrors the benefits currently available to Bendigo and Adelaide Bank Limited shareholders. The Directors have estimated the total benefits received from the Directors Privilege Package to be $Nil for the year ended 30 June 2015.

Indemnifying Officers or Auditor

The company has agreed to indemnify each Officer (Director, Secretary or employee) out of assets of the company to the relevant extent against any liability incurred by that person arising out of the discharge of their duties, except where the liability arises out of conduct involving dishonesty, negligence, breach of duty or the lack of good faith. The company also has Officers Insurance for the benefit of Officers of the company against any liability occurred by the Officer, which includes the Officer's liability for legal costs, in or arising out of the conduct of the business of the company or in or arising out of the discharge of the Officer's duties.

Disclosure of the nature of the liability and the amount of the premium is prohibited by the confidentiality clause of the contract of insurance. The company has not provided any insurance for an Auditor of the company.

Directors' meetings

The number of Directors' meetings held during the year was 11. Attendances by each Director during the year were as follows:

Director	Board Meetings #	Audit Committee Meetings #
Elaine Thomson	11 (11)	6 (6)
Rae Gâté	9 (11)	N/A
Rens Poels	11 (11)	6 (6)
William Bauer	3 (5)	N/A
Christopher Hodges	6 (11)	N/A
Prue Sheehan	9 (11)	6 (6)
Sean Connolly	4 (6)	N/A
Mark Onion	7 (11)	N/A
Gaylene Smith	2 (2)	N/A

The first number is the meetings attended while in brackets is the number of meetings eligible to attend.
N/A - not a member of that committee.

Likely developments

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

Environmental regulations

The company is not subject to any significant environmental regulation.

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.

Company Secretary

Rae Gâté has been the Company Secretary of Gympie & District Financial Services Limited since 2012. Rae is a Councillor in the Gympie Regional Council. Rae has been active within the Gympie Community for many years in Community Action Inc. (Housing, Youth Services and Support for Domestic Violence victims) and Supporting Chemotherapy in Cooloola Inc and Zonta.

Auditor independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set at page 10 of this financial report. No Officer of the company is or has been a partner of the Auditor of the company.

Signed in accordance with a resolution of the Board of Directors at Gympie on 29 September 2015.

Rens Poels
Director

Auditor's independence declaration

Richmond Sinnott & Delahunty
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30th September 2015

The Directors
Gympie & District Financial Services Limited
PO Box 1173
GYMPIE QLD 4570

Dear Directors,

To the Directors of Gympie & District Financial Services Limited

Auditor's Independence Declaration under section 307C of the Corporations Act 2001

I declare that to the best of my knowledge and belief, during the year ended 30 June 2015 there has been:

(i) No contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

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

P. P. Delahunty
Partner
Richmond Sinnott & Delahunty

Financial statements

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

	Note	2015 $	2014 $
Revenue	2	521,671	500,982
Employee benefits expense	3	(294,102)	(252,590)
Depreciation and amortisation expense	3	(26,314)	(26,093)
Bad and doubtful debts expense	3	(904)	(112)
Rental expense		(30,420)	(29,703)
Other expenses	3	(123,420)	(111,476)
Operating profit before charitable donations & sponsorships		**46,511**	**81,008**
Charitable donations and sponsorships		(65,137)	(39,123)
Profit before income tax		**(18,626)**	**41,885**
Tax expense	4	(2,122)	14,027
Profit for the year		**(16,504)**	**27,858**
Other comprehensive income		-	-
Total comprehensive income for the year		**(16,504)**	**27,858**
Profit attributable to members of the company		(16,504)	27,858
Total comprehensive income attributable to members of the company		**(16,504)**	**27,858**
Earnings per share (cents per share)			
- basic earnings per share	22	(2.06)	3.48

The accompanying notes form part of these financial statements.

Statement of Financial Position as at 30 June 2015

	Note	2015 $	2014 $
Assets			
Current assets			
Cash and cash equivalents	6	118,289	147,994
Trade and other receivables	7	40,283	41,866
Total current assets		**158,572**	**189,860**
Non-current assets			
Property, plant and equipment	8	99,608	111,039
Deferred tax asset	12	86,832	84,710
Intangible assets	9	54,445	-
Total non-current assets		**240,885**	**195,749**
Total assets		**399,457**	**385,609**
Liabilities			
Current liabilities			
Trade and other payables	10	86,600	18,122
Provisions	11	27,293	17,418
Total current liabilities		113,893	35,540
Total liabilities		**113,893**	**35,540**
Net assets		**285,564**	**350,069**
Equity			
Issued capital	13	800,010	800,010
Accumulated losses	14	(514,446)	(449,941)
Total equity		**285,564**	**350,069**

The accompanying notes form part of these financial statements.

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

	Note	Issued capital $	Accumulated losses $	Total equity $
Balance at 1 July 2013		**800,010**	**(429,799)**	**370,211**
Profit for the year		-	27,858	27,858
Other comprehensive income for the year		-	-	-
Total comprehensive income for the year		**-**	**27,858**	**27,858**
Transactions with owners, in their capacity as owners				
Shares issued during the year		-	-	-
Dividends paid or provided	23	-	(48,000)	(48,000)
Balance at 30 June 2014		**800,010**	**(449,941)**	**350,069**
Balance at 1 July 2014		**800,010**	**(449,941)**	**350,069**
Profit for the year		-	(16,504)	(16,504)
Other comprehensive income for the year		-	-	-
Total comprehensive income for the year		**-**	**(16,504)**	**(16,504)**
Transactions with owners, in their capacity as owners				
Shares issued during the year		-	-	-
Dividends paid or provided	23	-	(48,001)	(48,001)
Balance at 30 June 2015		**800,010**	**(514,446)**	**285,564**

The accompanying notes form part of these financial statements.

Statement of Cash Flows
for the year ended 30 June 2015

	Note	2015 $	2014 $
Cash flows from operating activities			
Receipts from customers		518,000	496,924
Payments to suppliers and employees		(502,103)	(426,466)
Interest received		3,671	3,444
Net cash provided by/(used in) operating activities	**15**	**19,568**	**73,902**
Cash flows from investing activities			
Purchase of property, plant and equipment		(1,272)	(5,363)
Net cash flows from/(used in) investing activities		**(1,272)**	**(5,363)**
Cash flows from financing activities			
Dividends paid		(48,001)	(48,000)
Net cash provided by/(used in) financing activities		**(48,001)**	**(48,000)**
Net increase/(decrease) in cash held		**(29,705)**	**20,539**
Cash and cash equivalents at beginning of financial year		147,994	127,455
Cash and cash equivalents at end of financial year	**6**	**118,289**	**147,994**

The accompanying notes form part of these financial statements.

Notes to the financial statements

For year ended 30 June 2015

These financial statements and notes represent those of Gympie & District Financial Services Limited.

Gympie & District Financial Services Limited (‘the company’) is a company limited by shares, incorporated and domiciled in Australia.

The financial statements were authorised for issue by the Directors on 29 September 2015.

Note 1. Summary of significant accounting policies

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The company is a for profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

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

<u>Economic dependency</u>

The company has entered into a franchise agreement with Bendigo and Adelaide Bank Limited that governs the management of the **Community Bank®** branches at Gympie.

The branches operate as a franchise of Bendigo and Adelaide Bank Limited, using the name “Bendigo Bank” and the logo and system of operations of Bendigo and Adelaide Bank Limited. The company manages the **Community Bank®** branches on behalf of Bendigo and Adelaide Bank Limited, however all transactions with customers conducted through the **Community Bank®** branches are effectively conducted between the customers and Bendigo and Adelaide Bank Limited.

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

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 Managers and other employees in banking, management systems and interface protocol;

Note 1. Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

Economic dependency (continued)

- 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
- Sale techniques and proper customer relations.

(b) Income tax

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

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities are 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.

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.

Deferred income tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

(c) Fair value of assets and liabilities

The company may measure some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the company would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair value of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

Note 1. Summary of significant accounting policies (continued)

(d) Property, plant and equipment

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

Plant and equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount of these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's 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 assets 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 recognised as expenses in profit or loss during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets are depreciated on a straight-line basis over the asset's useful life 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.

The depreciation rates used for each class of depreciable asset are:

Class of asset	Depreciation rate
Leasehold improvements	5%
Plant and equipment	2.5 - 50%

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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 and losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(e) Leases

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

Note 1. Summary of significant accounting policies (continued)

(e) Leases (continued)

Finance leases are capitalised by recognising an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses in the periods in which they are incurred.

(f) Impairment of assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less cost to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard. Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

(g) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(h) Employee benefits

Short-term employee benefits

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The company's obligations for short-term employee benefits such as wages and salaries are recognised as part of current trade and other payables in the statement of financial position. The company's obligation for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Note 1. Summary of significant accounting policies (continued)

(h) Employee benefits (continued)

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurement for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The company's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

(i) Intangible assets and franchise fees

Establishment costs have been initially recorded at cost and amortised on a straight line basis at a rate of 20% per annum. The current amortisation charges for intangible assets are included under depreciation and amortisation expense in the Statement of Profit or Loss and Other Comprehensive Income.

(j) Cash and cash equivalents

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

For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.

(k) Revenue and other income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any discounts and volume rebates allowed. Revenue comprises service commissions and other income received by the company.

Interest, dividend and fee revenue is recognised when earned.

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

(l) Trade and other receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Notes to the financial statements (continued)

Note 1. Summary of significant accounting policies (continued)

(m) Trade and other payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(n) New and amended accounting policies adopted by the company

There are no new and amended accounting policies that have been adopted by the company this financial year.

(o) New accounting standards for application in future periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the company.

The company has decided not to early adopt any of the new and amended pronouncements. The company's assessment of the new and amended pronouncements that are relevant to the company but applicable in the future reporting periods is set below:

(i) AASB 9 Financial Instruments and associated Amending Standards (applicable for annual reporting periods beginning on or after 1 January 2018).

This Standard will be applicable retrospectively and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

The key changes that may affect the company on initial application include certain simplifications to the classification of financial assets.

Although the Directors anticipate that the adoption of AASB 9 may have an impact on the company's financial instruments, it is impractical at this stage to provide a reasonable estimate of such impact.

(ii) AASB 15: Revenue from Contracts with Customers (applicable for annual reporting periods commencing on or after 1 January 2017).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

"The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with customers;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied."

This Standard will require retrospective restatement, as well as enhanced disclosure regarding revenue.

Although the Directors anticipate that the adoption of AASB 15 may have an impact on the company's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

Notes to the financial statements (continued)

Note 1. Summary of significant accounting policies (continued)

(p) 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 the outflow of economic benefits will result and the outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

A provision for dividends is not recognised as a liability unless the dividends are declared, determined or publicly recommended on or before the reporting date.

(q) Share capital

Issued and paid up capital is recognised at the fair value of the consideration received by the company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(r) Comparative figures

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

(s) Critical accounting estimates and judgements

The Directors evaluate estimates and judgements incorporated into the financial statements 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. Estimates and judgements are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The estimates and judgements that have a significant risk of causing material adjustments to the carrying values of assets and liabilities are as follows:

<u>Estimation of useful lives of assets</u>

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

<u>Employee benefits provision</u>

Assumptions required for wage growth and CPI movements. The likelihood of employees reaching unconditional service is estimated. The timing of when employee benefit obligations are to be settled is also estimated.

<u>Income tax</u>

The company is subject to income tax. Significant judgement is required in determining the deferred tax asset. Deferred tax assets are recognised only when it is considered sufficient future profits will be generated.
The assumptions made regarding future profits is considered sufficient future profits will be generated. The assumptions made regarding future profits is based on the company's assessment of future cash flows.

<u>Impairment</u>

The company assesses impairment at the end of each reporting period by evaluating conditions and events specific to the company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value in use calculations which incorporate various key assumptions.

Note 1. Summary of significant accounting policies (continued)

(t) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (ie trade date accounting is adopted). Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to the profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method or cost.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discount estimated future cash payments or receipts over the expected life (or where this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in the profit or loss.

(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. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(ii) Financial liabilities

Non derivative financial liabilities are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

A financial asset (or group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of financial assets carried at amortised cost loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency on interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial asset is reduced directly if no impairment amount was previously recognised in the allowance account.

Note 1. Summary of significant accounting policies (continued)

(t) Financial instruments (continued)

Impairment

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount 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.

	2015 $	2014 $
Note 2. Revenue and other income		
Revenue		
- services commissions	518,000	497,538
	518,000	**497,538**
Other revenue		
- interest received	3,671	3,444
	3,671	**3,444**
Total revenue	**521,671**	**500,982**
Note 3. Expenses		
Employee benefits expense		
- wages and salaries	267,332	230,922
- superannuation costs	26,346	19,864
- other costs	424	1,804
	294,102	**252,590**
Depreciation of non-current assets:		
- plant and equipment	3,905	3,345
- leasehold improvements	8,798	8,798

	2015 $	2014 $
Note 3. Expenses (continued)		
Amortisation of non-current assets:		
- intangible assets	13,611	13,950
	26,314	**26,093**
Bad debts	904	112
Other expenses		
- insurance	10,845	10,063
- printing and stationery	8,952	8,782
- IT equipment Lease	5,216	5,191
- IT running and support costs	11,037	10,878
- electricity and gas	5,864	5,257
- repairs and maintenance	1,855	1,380
- telephone	4,733	5,813
- marketing	12,392	4,188
- other	62,526	59,924
	123,420	**111,476**

Note 4. Tax expense

a. The components of tax expense comprise		
- current tax expense	(2,122)	14,027
- deferred tax expense relating to the origination and reversal of temporary differences	-	-
- recoupment of prior year tax losses	-	-
- adjustments for under/(over) provision		
of current income tax of previous years	-	-
	(2,122)	**14,027**
b. The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:		
Prima facie tax on profit before income tax at 30% (2014: 30%)	(5,588)	12,565

	2015 $	2014 $
Note 4. Tax expense (continued)		
Add tax effect of:		
- Adjustments in respect of current income tax of previous year	-	-
- Utilisation of previously unrecognised carried forward tax losses	-	-
- Non-deductible expenses and timing differences	3,466	1,462
Current income tax expense	**(2,122)**	**14,027**
Income tax attributable to the entity	**(2,122)**	**14,027**
The applicable weighted average effective tax rate is	0.00%	33.49%

The applicable income tax rate is the Australian Federal tax rate of 30% (2014: 30%) applicable to Australian resident companies.

Note 5. Auditors' remuneration

Remuneration of the Auditor for:

- Audit or review of the financial report	**4,450**	**4,300**

Note 6. Cash and cash equivalents

Cash at bank and on hand	18,289	29,428
Short-term bank deposits	100,000	118,566
	118,289	**147,994**

The effective interest rate on short-term bank deposits was 2.5% (2014: 3.25%); these deposits have an average maturity of 90 days.

Note 7. Trade and other receivables

Current

Trade receivables	40,283	41,866
	40,283	**41,866**

Credit risk

The main source of credit risk relates to a concentration of trade receivables owing by Bendigo and Adelaide Bank Limited, which is the source of the majority of the company's income.

The following table details the company's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as "past due" when the debt has not been settled, within the terms and conditions agreed between the company and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the company.

Note 7. Trade and other receivables (continued)

Credit risk

The balances of receivables that remain within initial trade terms (as detailed in the table below) are considered to be high credit quality.

	Gross amount	Past due and impaired	Past due but not impaired			Not past due
			< 30 days	31-60 days	> 60 days	
2015						
Trade receivables	40,283	-	-	-	-	40,283
Total	**40,283**	**-**	**-**	**-**	**-**	**40,283**
2014						
Trade receivables	41,866	-	-	-	-	41,866
Total	**41,866**	**-**	**-**	**-**	**-**	**41,866**

Note 8. Property, plant and equipment

	2015 $	2014 $
Leasehold improvements		
At cost	175,965	175,965
Less accumulated depreciation	(88,390)	(79,592)
	87,575	**96,373**
Plant and equipment		
At cost	71,199	69,917
Less accumulated depreciation	(59,166)	(55,251)
	12,033	**14,666**
Total written down amount	**99,608**	**111,039**
Movements in carrying amounts		
Leasehold improvements		
Balance at the beginning of the reporting period	96,373	105,171
Additions	-	-
Disposals	-	-
Depreciation expense	(8,798)	(8,798)
Balance at the end of the reporting period	**87,575**	**96,373**

	2015 $	2014 $

Note 8. Property, plant and equipment (continued)

Plant and equipment		
Balance at the beginning of the reporting period	14,666	12,648
Additions	1,272	5,363
Disposals	-	-
Depreciation expense	(3,905)	(3,345)
Balance at the end of the reporting period	**12,033**	**14,666**

Note 9. Intangible assets

Franchise fee		
At cost	197,807	129,751
Less accumulated amortisation	(143,362)	(129,751)
	54,445	**-**
Preliminary expenses		
At cost	63,953	63,953
Less accumulated amortisation	(63,953)	(63,953)
	-	**-**
Total Intangible assets	**54,445**	**-**
Movements in carrying amounts		
Franchise fee		
Balance at the beginning of the reporting period	-	13,950
Additions	68,056	-
Disposals	-	-
Amortisation expense	(13,611)	(13,950)
Balance at the end of the reporting period	**54,445**	**-**

Note 10. Trade and other payables

Current		
Unsecured liabilities:		
Trade payables	82,739	2,696
Other creditors and accruals	3,861	15,426
	86,600	**18,122**

The average credit period on trade and other payables is one month.

	2015 $	2014 $

Note 11. Provisions

	2015 $	2014 $
Employee benefits	**27,293**	**17,418**
Movement in employee benefits		
Opening balance	17,418	13,455
Additional provisions recognised	9,875	3,963
Amounts utilised during the year	-	-
Closing balance	**27,293**	**17,418**
Current		
Annual leave	20,197	11,335
Long-service leave	7,096	6,083
	27,293	**17,418**
Total provisions	**27,293**	**17,418**

Provision for employee benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience the company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

Note 12. Tax balances

	2015 $	2014 $
(a) Tax Assets		
Current		
Income tax receivable	-	-
	-	**-**
Non-current		
Deferred tax asset comprises:		
- tax losses carried forward	86,832	84,710
	86,832	**84,710**

	2015 $	2014 $
Note 12. Tax balances (continued)		
(b) Tax Liabilities		
Current		
Income tax payable	-	-
	-	**-**

Note 13. Share capital

	2015 $	2014 $
800,010 Ordinary shares fully paid	800,010	800,010
Less: Equity raising costs	-	-
	800,010	**800,010**
Movements in share capital		
Fully paid ordinary shares:		
At the beginning of the reporting period	800,010	800,010
Shares issued during the year	-	-
At the end of the reporting period	**800,010**	**800,010**

Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held. At the shareholders' meetings each shareholder is entitled to one vote when a poll is called, or on a show of hands. The company does not have authorised capital or par value in respect of its issued shares. All issued shares are fully paid. All shares rank equally with regard to the company's residual assets.

Capital management

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

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

(i) the Distribution Limit is the greater of:

  (a) 20% of the profit or funds of the company 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 can be seen in the Statement of Profit or Loss and Comprehensive Income.

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

	2015 $	2014 $

Note 14. Accumulated losses

	2015 $	2014 $
Balance at the beginning of the reporting period	(449,941)	(429,799)
Dividend paid	(48,001)	(48,000)
Profit/(loss) after income tax	(16,504)	27,858
Balance at the end of the reporting period	**(514,446)**	**(449,941)**

Note 15. Statement of cash flows

Reconciliation of cash flow from operations with profit after income tax

	2015 $	2014 $
Profit after income tax	(16,504)	27,858
Non cash flows in profit		
- Depreciation	12,703	12,143
- Amortisation	13,611	13,950
Changes in assets and liabilities		
- (Increase) decrease in intangible assets	(68,056)	
- (Increase) decrease in receivables	1,583	(614)
- (Increase) decrease in deferred tax asset	(2,122)	14,027
- Increase (decrease) in payables	68,478	2,575
- Increase (decrease) in provisions	9,875	3,963
Net cash flows from/(used in) operating activities	**19,568**	**73,902**

Note 16. 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 entity, directly or indirectly including any Director (whether executive or otherwise) of that company is considered key management personnel.

(b) Other related parties

Other related parties include close family members of key management personnel and entities that are 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.

Note 16. Related party transactions (continued)

(c) Transactions with key management personnel and related parties (continued)

The Gympie & District Financial Services Limited has not accepted the Bendigo and Adelaide Bank Limited's **Community Bank®** Directors Privileges package. The package is available to all Directors who can elect to avail themselves of the benefits based on their personal banking with the branch. There is no requirement to own Bendigo and Adelaide Bank Limited shares and there is no qualification period to qualify to utilise the benefits. The package mirrors the benefits currently available to Bendigo and Adelaide Bank Limited shareholders. The Directors have estimated the total benefits received from the Directors Privilege Package to be $Nil for the year ended 30 June 2015.

(d) Key management personnel shareholdings

The number of ordinary shares in Gympie & District Financial Services Limited held by each key management personnel of the company during the financial year is as follows:

	2015	2014
Elaine Thomson	7,501	7,501
Rae Gâté	501	501
Rens Poels	11,601	5,001
William Bauer	5,501	5,501
Christopher Hodges	500	500
Prue Sheehan	-	-
Sean Connolly	-	-
Mark Onion	-	-
Gaylene Smith	-	-

Rens Poels purchased 6600 shares during the year. Each share held has a paid up value of $1 and is fully paid.

(e) Other key management transactions

There has been no other transactions involving equity instruments other than those described above.

Note 17. Events after the reporting period

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

Note 18. Contingent liabilities and contingent assets

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

Note 19. Operating segments

The company operates in the financial services sector where it provides banking services to its clients. The company operates in one geographic area being Gympie, QLD. The company has a franchise agreement in place with Bendigo and Adelaide Bank Limited who account for 100% of the revenue (2014: 100%).

Note 20. Company details

The registered office and principal place of business is: 68 Mary Street, Gympie, QLD 4570.

Note 21. Leases

The property lease is a non-cancellable lease with a five year term, with rent payable monthly in advance and with CPI increases each year.

	2015 $	2014 $
Note 22. Earnings per share		
Basic earnings per share amounts are calculated by dividing profit/(loss) after income tax by the weighted average number of ordinary shares outstanding during the year.	(2.06)	3.48
Diluted earnings per share amounts are calculated by dividing profit/(loss) after income tax by the weighted average number of ordinary shares outstanding during the year (adjusted for the effects of any dilutive options or preference shares). There were no options or preference shares on issue during the year.		
The following reflects the income and share data used in the basic and diluted earnings per share computations:		
Profit after income tax expense	**(16,504)**	**27,858**
Weighted average number of ordinary shares for basic and diluted earnings per share	**800,010**	**800,010**
Note 23. Dividends paid or provided for on ordinary shares		
Interim and/or final unfranked ordinary dividend of 6 cents per share (2013: 7.5 cents per share).	**48,001**	**48,000**

Note 24. Financial risk management

The company's financial instruments consist mainly of deposits with banks, short-term investments, account receivables and payables, bank overdraft and loans. The totals for each category of financial instruments measured in accordance with AASB 139 Financial Instruments: Recognition and Measurement as detailed in the accounting policies are as follows:

Note 24. Financial risk management (continued)

	Note	2015 $	2014 $
Financial assets			
Cash and cash equivalents	6	118,289	147,994
Trade and other receivables	7	40,283	41,866
Total financial assets		**158,572**	**189,860**
Financial liabilities			
Trade and other payables	10	86,600	18,122
Total financial liabilities		**86,600**	**18,122**

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 an Audit Committee which reports regularly to the Board. The Audit Committee is assisted in the area of risk management by an internal audit function.

Specific financial risk exposure and management

The main risks the company is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk and other price risk. There have been no substantial changes in the types of risks the company is exposed to, how the risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

(a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the company.

Credit risk is managed through maintaining procedures ensuring, to the extent possible, that clients and counterparties to transactions are of sound credit worthiness. 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.

Credit risk exposures

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 has no significant concentrations of credit risk with Bendigo and Adelaide Bank Limited. The company's exposure to credit risk is limited to Australia by geographic area.

None of the assets of the company are past due (2014: nil 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.

Note 24. Financial risk management (continued)

(a) Credit risk (continued)

Credit risk exposures (continued)

	2015 $	2014 $
Cash and cash equivalents:		
A rated	118,289	147,994

(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.

The table below reflects an undiscounted contractual maturity analysis for financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward.

Financial liability and financial asset maturity analysis:

30 June 2015	Note	Total $	Within 1 year $	1 to 5 years $	Over 5 years $
Financial liabilities due for payment					
Trade and other payables	10	86,600	86,600	-	-
Total expected outflows		**86,600**	**86,600**	**-**	**-**
Financial assets - cash flows realisable					
Cash and cash equivalents	6	118,289	118,289	-	-
Trade and other receivables	7	40,283	40,283	-	-
Total anticipated inflows		**158,572**	**158,572**	**-**	**-**
Net (outflow)inflow on financial instruments		**71,972**	**71,972**	**-**	**-**

Note 24. Financial risk management (continued)

(b) Liquidity risk (continued)

30 June 2014	Note	Total $	Within 1 year $	1 to 5 years $	Over 5 years $
Financial liabilities due for payment					
Trade and other payables	10	18,122	18,122	-	-
Total expected outflows		**18,122**	**18,122**	**-**	**-**
Financial assets - cash flows realisable					
Cash and cash equivalents	6	147,994	147,994	-	-
Trade and other receivables	7	41,866	41,866	-	-
Total anticipated inflows		**189,860**	**189,860**	**-**	**-**
Net (outflow)/inflow on financial instruments		**171,738**	**171,738**	**-**	**-**

(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.

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

The financial instruments that primarily expose the company to interest rate risk are borrowings, fixed interest securities, and cash and cash equivalents.

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.

Note 24. Financial risk management (continued)

(c) Market risk (continued)

Sensitivity analysis (continued)

	Profit $	Equity $
Year ended 30 June 2015		
+/- 1% in interest rates (interest income)	1,183	1,183
'+/- 1% in interest rates (interest expense)	-	-
	1,183	**1,183**
Year ended 30 June 2014		
+/- 1% in interest rates (interest income)	1,480	1,480
'+/- 1% in interest rates (interest expense)	-	-
	1,480	**1,480**

There have been no changes in any of the methods or assumptions used to prepare the above sensitivity analysis from the prior year.

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

- Fair value estimation

  The fair values of financial assets and liabilities are presented in the following table and can be compared to their carrying amounts as presented in the statement of financial position.

  Differences between fair values and the carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied to the market since their initial recognition by the company.

	Note	2015		2014	
		Carrying amount $	Fair value $	Carrying amount $	Fair value $
Financial assets					
Cash and cash equivalents (i)	6	118,289	118,289	147,994	147,994
Trade and other receivables (i)	7	40,283	40,283	41,866	41,866
Total financial assets		**158,572**	**158,572**	**189,860**	**189,860**

Note 24. Financial risk management (continued)

(d) Price risk (continued)

Fair values (continued)

	Note	2015		2014	
		Carrying amount $	Fair value $	Carrying amount $	Fair value $
Financial liabilities					
Trade and other payables (i)	10	86,600	86,600	18,122	18,122
Total financial liabilities		**86,600**	**86,600**	**18,122**	**18,122**

(i) Cash and cash equivalents, trade and other receivables, and trade and other payables are short-term instruments in nature whose carrying amounts are equivalent to their fair values. The fair values of receivables and payables are determined on the basis of an income approach using a discounted cash flow methodology. Discount rates are based on market interest rates for similar instruments and range between 7.8% and 9.3%, depending upon the nature of the instrument.

Directors' declaration

In accordance with a resolution of the Directors of Gympie & District Financial Services Limited, the Directors of the company declare that:

1. The financial statements and notes, as set out on pages 11 to 37 are in accordance with the Corporations Act 2001 and:

   (i) comply with Australian Accounting Standards, which as stated in accounting policy Note 1(a) to the financial statements constitutes compliance with International Financial Reporting Standards (IFRS); and

   (ii) give a true and fair view of the company's financial position as at 30 June 2015 and of the performance for the year ended on that date;

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

Rens Poels
Director

Signed at Gympie on 29 September 2015.

Independent audit report

Richmond
Sinnott &
Delahunty

Chartered Accountants

Level 2, 10-16 Forest Street
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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF GYMPIE & DISTRICT
FINANCIAL SERVICES LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Gympie & District Financial Services Limited, which comprises the statement of financial position as at 30 June 2015, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the company at the year's end.

Directors' Responsibility 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 in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards (IFRS).

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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 company's preparation 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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

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

Auditor's Opinion

In our opinion:

(a) the financial report of Gympie & District Financial Services Limited is in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the company's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Regulations 2001; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

RICHMOND SINNOTT & DELAHUNTY
Chartered Accountants

P. P. Delahunty
Partner

Dated at Bendigo, 30th September 2015

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