

Freshwater **Community Bank**<sup>®</sup> Branch



# annual report 2013

Harbord Financial Services Limited

ABN 25 097 282 525

Freshwater **Community Bank**<sup>®</sup> Branch of Bendigo Bank

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# Chairman's Report

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For year ended 30 June 2013

I'm back and it is my pleasure to report on the progress of Harbord Financial Services Ltd (HFSL) for the year ended 30 June 2013.

Garry Chadwick our Chairman has developed serious health issues and has been forced to resign from the Board to address these problems.

Garry has been an excellent Treasurer and Chairman for some 11 years and is an absolute essential part of the direction and success of our wonderful bank. We wish Garry a full and speedy recovery to enjoy a well deserved retirement and a less stress full lifestyle! The Board, the staff and the community of Freshwater are in your debt and will truly miss you.

This is the first for a number of years that HFSL has not exceeded our budget targets. Revenue from ordinary activities decreased from \$1,482,724 to \$1,371,747. As predicted in last year's report "Restoring the Balance" and lower interest rates have decreased our profitability as a further correction occurred in April 2013.

The final Profit after Income tax expenses for the Financial Year ended 30 June 2013 was \$46,291.

As a responsible Board we have been looking at a number of budget cuts and this will be reflected in our funds available for Community groups in the coming year!

Let us all work together to increase our business book and our profitability to restore our levels of financial support to the community.

## Sponsorship / Community Grants and Donations

Payments for Sponsorships (\$190,026), Community Grants (\$49,255) and Donations (\$18,746) were made to various organisations over the year totalling \$258,027.

## Scholarship / Tertiary funding

This has been an exciting initiative from the Board, particularly Peter Harley. A budget of \$50,000 has enabled us to give \$5,000 to academic all-rounders from local high schools who contribute to the community, with \$15,000 awarded to the Freshwater Student of the Year.

2013 recipient and Freshwater Student of the Year:

Nina Newcombe – NBSC Mackellar Girls Campus

2013 individual recipients:

Thomas Elliott – NBSC Balgowlah Boys Campus

Jovana Zelenbaba – NBSC Freshwater Senior Campus

Amelia Loughland – NBSC Manly Selective Campus

Rachel Nunn – Stella Maris College

# Chairman's report (continued)

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Rory O'Connor – St Augustine's College

Jessica Williams – St Luke's Grammar School

Jacob Tsagaris – St Paul's Catholic College

## Youth Participants

Emma Castle (NBSC Mackellar Girls Campus) and Jessica Arman (Stella Maris College) as our Youth Participants have again initiated a successful programme. They have been tutoring needy children at Harbord Public School in literacy skills, great effort girls.

## Directors

The voluntary efforts of all our Directors help make our Company an exciting and stimulating working environment. Their passion, commitment, experience and expertise contributes to our continued success. I accordingly thank Garry Chadwick, John Vaccaro, Ian Greentree, Kevin Abrahamson, Denise Goldstein, Peter Harley, Martin Brook, and Noela Roberts for their service.

## Ambassadors

We are also fortunate to have an active Ambassador network that actively supports us all. Thank you to Tony Bevan, Tom Guy, Ian Joynson and Michael Regan.

## Staff

Our staff is efficient, friendly and caring and led by Sandy our Manager, Helen, Angela, Su-Ellen, Kerry, Cheerie, Kasey, Simmone, Melanie and Marielle continue to give our community that bit extra we've come to expect.

We wish to acknowledge our auditor David Hutchings, accountants Leo, Jayde and Lachlan and Rose who manages the share registry and our partners at Bendigo Bank.

These Directors will be retiring by rotation and I ask you to support

Trevor Sargeant; Martin Brook; Kevin Abrahamson in their re-election.

Finally on behalf of the Board I thank you the shareholders for your continued support in these more difficult times. They are unfortunate events that enabled me to once again be your chairman, but it is an honour to do so and serve this great community of ours.

I sincerely thank you for that privilege.



**Trevor Sargeant Chairman 2013**

# Manager's Report

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It is with great pleasure that I can contribute to the 12<sup>th</sup> Annual report for the financial year end 30 June 2013 on behalf of Freshwater Community Bank.

It was a challenging year for us in a very competitive financial market. Although we did not achieve established targets our efforts resulted in \$2,149 million growth in lending and \$1,797 million in our deposit book. Overall footing had a slight increase to \$165,700,000 for the end of the financial year.

Our Community focus was once again outstanding with \$258,027 being returned to our local community through sponsorships and donations.

(Sponsorship \$190,026; Community grants \$49,255 and donations \$18,746)

Once again we have focused on providing our customers with exceptional customer service and we look forward to building strong relationships with them and our surrounding community.

Our customers, shareholders and sponsored groups are our greatest advocates in encouraging others to come in and join and share in the Community Bank concept success.

I would also like to take this opportunity to acknowledge the ongoing support from our partners Bendigo and Adelaide Bank Ltd, especially our Regional Manager Alex Hughes and his supporting staff at the State office.

As always I am eternally grateful to the dedication of our volunteer Board of Directors and Ambassadors who support me in my role as Branch Manager and also play an integral role in our success.

I would like to formally congratulate my team of Helen, Kasey, Angela, Su-Ellen, Cheerie, Kerry, Marielle, Melanie and Simone for their contribution and I look forward to having another successful year with you all.



**Sandra Kleiner**  
**Branch Manager**

# Bendigo and Adelaide Bank report

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For year ending 30 June 2013

This year has marked two very significant milestones for our **Community Bank**<sup>®</sup> network, celebrating its 15th anniversary of operation while also reaching \$100 million in community contributions. Both achievements could not have been accomplished without your ongoing support as shareholders and customers.

The **Community Bank**<sup>®</sup> 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**<sup>®</sup> model was seen as a way to restore branch banking services to the towns, after the last of the major banks closed its services. But in the years since, the **Community Bank**<sup>®</sup> model has become so much more.

The **Community Bank**<sup>®</sup> network has returned more than \$20 million in contributions to local communities in this financial year alone. Our branches have been able to fund health services, sports programs, aged care facilities, education initiatives, community events and much more.

These contributions have come at a time of continued economic uncertainty, and shows the high level of support the **Community Bank**<sup>®</sup> model has in the communities in which it operates.

While our established branches grow their business at a healthy rate, demand for the model in other communities continues to be strong. There are currently another 40 **Community Bank**<sup>®</sup> sites in development, and 15 new branches are expected to open in the next 12 months.

At the end of the financial year 2012/13 the **Community Bank**<sup>®</sup> network had achieved the following:

- Returns to community – \$102 million
- **Community Bank**<sup>®</sup> branches – 298
- **Community Bank**<sup>®</sup> branch staff – more than 1,460
- **Community Bank**<sup>®</sup> company Directors – 1,925
- Banking business – \$24.46 billion
- Customers – 640,159
- Shareholders – 72,062
- Dividends paid to shareholders since inception – \$30.88 million.

Almost 300 communities have now partnered with Bendigo and Adelaide Bank, to not only enhance banking services, but more importantly take the profits their banking business generates and reinvest it in local groups and projects that will ultimately strengthen their community. This \$100 million goes to new community facilities, improved services, more opportunities for community engagement activities and generally speaking, a more prosperous society.

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<sup>™</sup> (philanthropic arm), Community Sector Banking (banking service for not-for-profit organisations), Generation Green<sup>™</sup> (environment and sustainability initiative), Community Telco<sup>®</sup> (telecommunications solution), tertiary education scholarships and Community Enterprises that provide **Community Bank**<sup>®</sup> companies with further development options.

In Bendigo and Adelaide Bank, your **Community Bank**<sup>®</sup> company has a committed and strong partner and over the last financial year our company has continued its solid performance.

## Bendigo and Adelaide Bank report (continued)

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Bendigo and Adelaide Bank remains one of the few banks globally to be awarded an upgraded credit rating since the onset of the Global Financial Crisis. Our Bank continues to be rated at least “A-” by Standard & Poor’s, Moody’s and Fitch in recognition of its strong performance in the face of what continues to be a challenging economic environment.

While continued ratings affirmation is a welcome boost for the Bank and its partners, trading conditions are still difficult, with consumer confidence and demand for credit remaining low, and competition remaining very strong for retail deposits.

Not surprisingly, these factors continue to place pressure on the 50/50 margin share agreement between the Bank and our **Community Bank®** partners. As a result some **Community Bank®** companies are receiving much more than 50 per cent of revenue earned.

In April, the Bank took a further step to restore this balance, ensuring that the **Community Bank®** model produced a more appropriate balance of return for all stakeholders within this partnership model. The Bank will continue to review this remuneration model to ensure it is fair and equitable for all parties and is as resilient as possible to the fast changing economic environment.

It continues to be Bendigo and Adelaide Bank’s vision to be Australia’s leading 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 listen and respect every customer’s choice, needs and objectives. We partner for sustainable long-term outcomes and aim to be relevant, connected and valued.

This is what drives each and every one of our people and we invite you as **Community Bank®** shareholders to support us as we work with your community to deliver on our goals and ensure our sustained and shared success.

As **Community Bank®** shareholders you are part of something special, a unique banking movement which has evolved into a whole new way of thinking about banking and the role it plays in modern society.

With the community’s support, there really is no limit to what can be achieved under the **Community Bank®** model, and I look forward to seeing what the next 15 years will bring.

I thank you for your important support of your local **Community Bank®** branch.



**Robert Musgrove**  
**Executive Community Engagement**





# Directors' report (continued)

**Peter Eric Harley**

Director (Appointed 21 August 2012)

Retired

Former Director of WorkCover Authority of NSW, Executive Director of TestSafe Australia (2004-08)/ Public Sector Manager for thirty years. President of friends of Freshwater Inc. Bachelor of Commerce. Diploma of Relations and Law.

Special Responsibilities: Sponsorship Committee and OH & S Committee

Interest in shares: 1

**Kevin Duncan Abrahamson**

Director (Appointed 20 November 2012)

Former Director of Bendigo & Adelaide Bank for 11 years. Board of Fiducian Portfolio Services. Consultant to the Banking and Financing industries. Senior roles in Advance Bank and St George Bank for 14 years.

Special Responsibilities: Audit Committee, IT Committee.

Interest in shares: 1

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

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

**Company Secretary**

The Company Secretary is Ian Greentree. Ian has been the Company's Secretary since 27 November 2006.

He has a Diploma in Law admitted as a Solicitor to the Supreme Court of NSW, Associate Diploma in Accounting, member of Institute of Public Accountants, Associate of Chartered Secretaries Australia.

**Principal Activities**

The principal activities of the company during the course of the financial year were in facilitating 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.

**Operating Results**

Operations have continued to perform in line with expectations. The profit of the company for the financial year after provision for income tax was:

Year ended	Year ended
30 June 2013	30 June 2012
\$	\$
46,291	81,562

**Operating and Financial Review**Operations

The Company is a franchisee of Bendigo & Adelaide Bank Limited providing financial products and services to individuals, businesses and organisations throughout the local area via the Freshwater Community Bank® Branch.

While the branch is reliant on Bendigo & Adelaide Bank products, services and operational procedures and policies it provides a full suite of Banking products as part of the Community Bank® model which has been proven both robust and successful. This has provided the Company with a sound commercial foundation upon which to build its local business. The results for the Company for the 2012-2013 Financial Year did not achieve business targets established at the beginning of the period. The revenue based on the margin share with Bendigo & Adelaide Bank Limited decreased from \$1.48 million to \$1.37 million with net profit for the period reducing to \$46,291 compared with \$81,562 in 2011-2012. Along with the slow economic

# Director's report (continued)

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environments experienced during the period, resulting in lower than expected loan activity, and the reduction in interest rates, causing competition for deposits, was the second tranche of the "restoring the balance" of margin between the Company and Bendigo & Adelaide Bank Limited to a 50/50 basis. Model earnings are predominately from deposits and loan products based on a margin split between Bendigo & Adelaide Bank Limited and the Company. The future growth of the business will continue to come from greater community interaction and providing full banking services to the Freshwater community and provide continued support to local clubs and organisation.

## Financial Position

The financial position of the Company remains relatively strong. Notwithstanding the reduction in profits for the 2012-2013 Financial Year to \$46,291 compared to \$81,562 (2011-2012) and the small reduction in total equity by \$23,015 (3.07%) from \$747,317 to \$724,302.

The "restoring the balance" program enforced by Bendigo & Adelaide Bank Limited will have a detrimental impact on the Company's revenue in 2013-2014 however the Directors and Staff of the Company are working hard in reducing costs and increasing revenue to compensate for the reduction in margin revenue.

## Discussion of Business Strategies

The Board is currently reviewing its strategic plan. No major changes to the business model are expected in the short term except for strategies to increase business and revenue.

## **Prospects for Future Financial Years**

The Company's business growth resolves very strongly, around close, consistent and aggressive local marketing to community groups. The Board works closely with the Company's branch manager on winning new business using a variety of strategies to leverage the Company's community relationships.

The Company continuously evaluates all operational risks and does not consider there are any significant risks that are likely to have a detrimental impact on the business.

The Company anticipates that the current constrained market conditions are likely to improve during the forthcoming financial year which will increase the demand for Freshwater Community Bank® products and services.

In the opinion of the directors there were no significant changes in the state of affairs of the company that occurred during the financial year under review not otherwise disclosed in this report or the financial statements.

## **Remuneration Report**

No Director receives remuneration for services as a Company Director or Committee Member.

The Board is responsible for the determination of remuneration packages and policies applicable to the Manager and staff. The Manager is invited to all Board meetings to report on the management of the branch and as required to discuss performance and remuneration packages.

The Manager is paid a base salary, which for the year ended 30 June 2013 was in the range \$90,000 to \$100,000 (plus superannuation).

## **Dividends**

Dividends paid during the year:

Year Ended 30 June 2013	
Cents	\$
10	69,306

## **Significant Changes in the State of Affairs**

In the opinion of the directors there were no significant changes in the state of affairs of the company that occurred during the financial year under review not otherwise disclosed in this report or the financial statements.

# Director's report (continued)

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## Matters Subsequent to the End of the Financial Year

There are no matters or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the company, the results of those operations

or the state of affairs of the company, in future years.

## Likely Developments

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

## Environmental Regulation

The company is not subject to any significant environmental regulation.

## Directors' Benefits

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.

## Indemnification and Insurance of Directors and Officers

The company has indemnified all directors and the manager in respect of liabilities to other persons (other than the company or related body corporate) that may arise from their position as directors or manager of the company except where the liability arises out of conduct involving the lack of good faith.

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 or a related body corporate.

## Directors' Meetings

The numbers of directors' meetings attended by each of the directors of the company during the year were:

Director	Eligible to attend	Number attended
Trevor Leslie Sargeant	11	10
Garry Stanley Chadwick	11	10
Ian John Greentree	11	11
Martin Edwin Brook	11	9
Noela Rose Roberts	11	10
John Vaccaro	11	9
Denise Faith Goldstein ( <i>Appointed 17 July 2012</i> )	11	9
Peter Eric Harley ( <i>Appointed 21 August 2012</i> )	10	9
Kevin Duncan Abrahamson ( <i>Appointed 20 November 2012</i> )	6	6

# Director's report (continued)

## Sub committee meetings

Trevor Leslie Sargeant  
Garry Stanley Chadwick  
Ian John Greentree  
Martin Edwin Brook  
Noela Rose Roberts  
John Vaccaro  
Denise Faith Goldstein  
(Appointed 17 July 2012)  
Peter Eric Harley (Appointed  
21 August 2012)  
Kevin Duncan Abrahamson  
(Appointed 20 November  
2012)

Audit		Operations and Human Resources		Strategic Planning		Business Develop- ment		Sponsorship		Marketing		Building	
A	B	A	B	A	B	A	B	A	B	A	B	A	B
2	2	9	2	2	2	10	8	10	8	10	8	7	3
2	2	9	7	2	2	10	5	10	5	10	5	7	7
2	2	9	2	2	2	10	2	10	3	10	2	7	5
-	-	9	-	2	-	-	-	10	3	-	-	7	2
-	-	9	2	2	1	10	1	10	5	10	1	7	2
-	-	9	2	2	2	10	9	10	8	10	9	7	2
-	-	9	9	2	2	9	6	9	5	9	6	7	2
-	-	8	2	2	2	9	8	9	8	9	8	6	2
-	-	7	3	1	1	-	-	5	2	-	-	4	1

A - Eligible to attend

B - Number attended

## Non Audit Services

The company may decide to employ the auditor on assignments additional to their statutory duties where the auditor's expertise and experience with the company are important. Details of the amounts paid or payable to the auditor (Andrew Frewin & Stewart) for audit and non audit services provided during the year are set out in the notes to the accounts.

The board of directors has considered the position, in accordance with the advice received from the audit committee and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are satisfied that the provision of non-audit services by the auditor, as set out in the notes did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed by the audit committee to ensure they do not impact on the impartiality and objectivity of the auditor;
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, including reviewing or auditing the auditor's own work, acting in a management or a decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risk and rewards.

# Director's report (continued)

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## **Auditors' Independence Declaration**

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 13.

Signed in accordance with a resolution of the board of directors at Freshwater, New South Wales

on 30 September 2013.

A handwritten signature in black ink, appearing to be 'T. Sargeant', written in a cursive style.

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Trevor Leslie Sargeant, Chairman

**Lead auditor's independence declaration under section 307C of the *Corporations Act 2001* to the directors of Harbord 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 2013 there have been no contraventions of:

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



**David Hutchings**  
**Andrew Frewin Stewart**  
61 Bull Street, Bendigo Vic 3550

Dated: 30 September 2013

# Financial statements

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## Statement of comprehensive income for the year ended 30 June 2013

		<b>2013</b>	<b>2012</b>
	<b><u>Notes</u></b>	<b><u>\$</u></b>	<b><u>\$</u></b>
Revenues from ordinary activities	4	1,371,747	1,482,724
Employee benefits expense		(661,524)	(579,949)
Charitable donations, sponsorship, advertising and promotion		(301,938)	(472,987)
Occupancy and associated costs		(132,059)	(120,721)
Systems costs		(21,635)	(23,455)
Depreciation and amortisation expense	5	(32,434)	(31,656)
Finance costs		(100)	(238)
General administration expenses		<u>(167,044)</u>	<u>(152,602)</u>
<b>Profit before income tax expense</b>		<b>55,013</b>	<b>101,116</b>
Income tax expense	6	<u>(8,722)</u>	<u>(19,554)</u>
<b>Profit after income tax expense</b>		<u>46,291</u>	<u>81,562</u>
<b>Total comprehensive income for the year</b>		<b><u>46,291</u></b>	<b><u>81,562</u></b>
<b>Earnings per share (cents per share)</b>		<b><u>c</u></b>	<b><u>c</u></b>
- basic for profit for the year	22	6.68	11.77

The accompanying notes form part of these financial statements

# Financial statements (continued)

Balance sheet as at 30 June 2013

	<b><u>Notes</u></b>	<b>2013 \$</b>	<b>2012 \$</b>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	7	412,003	392,456
Trade and other receivables	8	168,530	123,741
Current tax asset	6	-	21,005
<b>Total Current Assets</b>		<b><u>580,533</u></b>	<b><u>537,202</u></b>
<b>Non-Current Assets</b>			
Property, plant and equipment	9	188,415	207,497
Financial Assets	10	5,000	5,000
Intangible assets	11	46,215	57,768
Deferred tax assets	12	18,523	10,650
<b>Total Non-Current Assets</b>		<b><u>258,153</u></b>	<b><u>280,915</u></b>
<b>Total Assets</b>		<b><u>838,686</u></b>	<b><u>818,117</u></b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	13	41,878	31,519
Provisions	14	39,778	28,453
Current tax liabilities	6	440	-
<b>Total Current Liabilities</b>		<b><u>82,096</u></b>	<b><u>59,972</u></b>
<b>Non-Current Liabilities</b>			
Provisions	14	32,288	10,828
<b>Total Non-Current Liabilities</b>		<b><u>32,288</u></b>	<b><u>10,828</u></b>
<b>Total Liabilities</b>		<b><u>114,384</u></b>	<b><u>70,800</u></b>
<b>Net Assets</b>		<b><u>724,302</u></b>	<b><u>747,317</u></b>
<b>Equity</b>			
Issued capital	15	613,376	613,376
Retained earnings	16	110,926	133,941
<b>Total Equity</b>		<b><u>724,302</u></b>	<b><u>747,317</u></b>

The accompanying notes form part of these financial statements



# Financial statements (continued)

## Statement of Changes in Equity for the year ended 30 June 2013

	Issued Capital \$	Retained Earnings \$	Total Equity \$
<b>Balance at 1 July 2011</b>	<u>613,376</u>	<u>121,685</u>	<u>735,061</u>
<b>Total comprehensive income for the year</b>	<u>-</u>	<u>81,562</u>	<u>81,562</u>
<b>Transactions with owners in their capacity as owners:</b>			
Shares issued during period	-	-	-
Costs of issuing shares	-	-	-
Dividends provided for or paid	<u>-</u>	<u>(69,306)</u>	<u>(69,306)</u>
<b>Balance at 30 June 2012</b>	<u>613,376</u>	<u>133,941</u>	<u>747,317</u>
<b>Balance at 1 July 2012</b>	<u>613,376</u>	<u>133,941</u>	<u>747,317</u>
<b>Total comprehensive income for the year</b>	<u>-</u>	<u>46,291</u>	<u>46,291</u>
<b>Transactions with owners in their capacity as owners:</b>			
Shares issued during period	-	-	-
Costs of issuing shares	-	-	-
Dividends provided for or paid	<u>-</u>	<u>(69,306)</u>	<u>(69,306)</u>
<b>Balance at 30 June 2013</b>	<u><u>613,376</u></u>	<u><u>110,926</u></u>	<u><u>724,302</u></u>

The accompanying notes form part of these financial statements

# Financial statements (continued)

## Statement of Cashflows for the year ended 30 June 2013

	<u>Notes</u>	<b>2013</b> \$	<b>2012</b> \$
<b>Cash Flows From Operating Activities</b>			
Receipts from customers		1,440,443	1,589,538
Payments to suppliers and employees		(1,365,813)	(1,496,101)
Interest received		11,272	30,659
Interest paid		(100)	(238)
Income taxes (paid)/refunded		4,850	(27,487)
<b>Net cash provided by operating activities</b>	17	<u>90,652</u>	<u>96,371</u>
<b>Cash Flows From Investing Activities</b>			
Payments for property, plant and equipment		(1,799)	(10,451)
Payments for intangible assets		-	(57,768)
<b>Net cash used in investing activities</b>		<u>(1,799)</u>	<u>(68,219)</u>
<b>Cash Flows From Financing Activities</b>			
Dividends paid		(69,306)	(69,306)
<b>Net cash used in financing activities</b>		<u>(69,306)</u>	<u>(69,306)</u>
<b>Net increase/(decrease) in cash held</b>		19,547	(41,154)
Cash and cash equivalents at the beginning of the financial year		392,456	433,610
<b>Cash and cash equivalents at the end of the financial year</b>	7(a)	<u>412,003</u>	<u>392,456</u>

The accompanying notes form part of these financial statements

# Notes to the financial statements

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For the year ended 30 June 2012

## **Note 1. Summary of Significant Accounting Policies**

### **a) Basis of Preparation**

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standard Boards and the Corporations Act 2001. The company is a for-profit entity for the purpose of preparing the financial statements.

#### Compliance with IFRS

These financial statements and notes comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

#### Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. These areas involving a higher degree of judgement or complexities, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

#### Historical cost convention

The financial statements have been prepared under the historical cost convention on an accruals basis as modified by the revaluation of financial assets and liabilities at fair value through profit or loss and where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

#### Comparative figures

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

#### Adoption of new and revised Accounting Standards

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2012 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods. Amendments made to AASB 101 Presentation of Financial Statements effective 1 July 2012 now require the statement of comprehensive income to show the items of comprehensive income grouped into those that are not permitted to be reclassified to profit or loss in a future period and those that may have to be reclassified if certain conditions are met. This amendment has not affected the presentation of the statement of comprehensive income of the company in the current period and is not likely to affect future periods.

The company has not elected to apply any pronouncements before their mandatory operative date in the annual reporting period beginning 1 July 2012.

#### Economic dependency - Bendigo and Adelaide Bank Limited

The company has entered into a franchise agreement with Bendigo and Adelaide Bank Limited that governs the management of the Community Bank® branch at Freshwater, NSW.

# Notes to the financial statements (continued)

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## **Note 1. Summary of Significant Accounting Policies (continued)**

The branch operates 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® branch 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.

### **a) Basis of Preparation (continued)**

Economic dependency - Bendigo and Adelaide Bank Limited (continued)

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

- advice and assistance in relation to the design, layout and fit out of the Community Bank® branch;
- training for the branch manager and other employees in banking, management systems and interface protocol;
- methods and procedures for the sale of products and provision of services;
- security and cash logistic controls;
- calculation of company revenue and payment of many operating and administrative expenses;
- the formulation and implementation of advertising and promotional programs; and
- sales techniques and proper customer relations.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

### **b) Revenue**

Revenue is recognised when the amount of revenue can be reliably measured, it is probable that future economic benefit will flow to the company and any specific criteria have been met. Interest and fee revenue is recognised when earned. The gain or loss on disposal of property, plant and equipment is recognised on a net basis and is classified as income rather than revenue. All revenue is stated net of the amount of Goods and Services Tax (GST).

# Notes to the financial statements (continued)

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## **Note 1. Summary of Significant Accounting Policies (continued)**

### Revenue calculation

The franchise agreement with Bendigo and Adelaide Bank Limited provides for three types of revenue earned by the company. First, the company is entitled to 50% of the monthly gross margin earned by Bendigo and Adelaide Bank Limited on products and services provided through the company that are regarded as “day to day” banking business (ie ‘margin business’). This arrangement also means that if the gross margin reflects a loss (that is, the gross margin is a negative amount), the company effectively incurs, and must bear, 50% of that loss.

The second source of revenue is commission paid by Bendigo and Adelaide Bank Limited on the other products and services provided through the company (i.e. commission businesses). The commission is currently payable on various specified products and services, including insurance, financial planning, common fund, Sandhurst Select, superannuation, commercial loan referrals, products referred by Rural Bank, leasing referrals, fixed loans and certain term deposits (>90 days). The amount of commission payable can be varied in accordance with the Franchise Agreement (which, in some cases, permits commissions to be varied at the discretion of Bendigo and Adelaide Bank Limited). This discretion has been exercised on several occasions previously. For example in February 2011 and February 2013 Bendigo and Adelaide Bank Limited reduced commissions on two core banking products to ensure a more even distribution of income between Bendigo and Adelaide Bank Limited and its Community Bank® partners. The revenue share model is subject to regular review to ensure that the interests of Bendigo and Adelaide Bank Limited and Community Bank® companies remain balanced.

The third source of revenue is a proportion of the fees and charges (ie, what are commonly referred to as ‘bank fees and charges’) charged to customers. This proportion, determined by Bendigo and Adelaide Bank Limited, may vary between products and services and may be amended by Bendigo and Adelaide Bank Limited from time to time.

## **c) Income Tax**

### Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

### Deferred tax

Deferred tax is accounted for using the balance sheet liability method on temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

# Notes to the financial statements (continued)

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## **Note 1. Summary of Significant Accounting Policies (continued)**

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities reflects the tax consequences that would follow from the manner in which the consolidated entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax and when the balances relate to taxes levied by the same taxation authority and the company entity intends to settle its tax assets and liabilities on a net basis.

### Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the statement of comprehensive income, except when it relates to items credited or debited to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

### **d) Employee Entitlements**

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

The company contributes to a defined contribution plan. Contributions to employee superannuation funds are charged against income as incurred.

### **e) Cash and Cash Equivalents**

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. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

### **f) Trade Receivables and Payables**

Receivables are carried at their amounts due. The collectability of debts is assessed at balance date and specific provision is made for any doubtful accounts. Liabilities for trade creditors and other amounts are carried at cost that is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the company.

### **g) Property, Plant and Equipment**

Plant and equipment, leasehold improvements and equipment under finance lease are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land. Depreciation is calculated on a straight line basis so as to write off the net cost of each asset over its expected

# Notes to the financial statements (continued)

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## **Note 1. Summary of Significant Accounting Policies (continued)**

useful life to its estimated residual value. Leasehold improvements are depreciated at the rate equivalent to the available building allowance using the straight line method.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

The following estimated useful lives are used in the calculation of depreciation:

- leasehold improvements	40	years
- plant and equipment	2.5 - 40	years
- furniture and fittings	4 - 40	years

### **h) Intangibles**

The franchise fee paid to Bendigo and Adelaide Bank Limited has been recorded at cost and is amortised on a straight line basis over the life of the franchise agreement.

### **i) Payment Terms**

Receivables and payables are non interest bearing and generally have payment terms of between 30 and 90 days.

### **j) Borrowings**

All loans are initially measured at the principal amount. Interest is recognised as an expense as it accrues.

### **k) Financial Instruments**

#### Recognition and initial measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial instruments are initially measured at fair value plus transaction costs. Financial instruments are classified and measured as set out below.

#### Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset.

#### Classification and subsequent measurement

##### **(i) Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

## Notes to the financial statements (continued)

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### **Note 1. Summary of Significant Accounting Policies (continued)**

(ii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities maturity. They are subsequently measured at amortised cost using the effective interest rate method.

(iii) Financial liabilities

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

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period, which will be classified as current assets.

#### Impairment

At each reporting date, the entity assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the statement of comprehensive income.

#### **l) 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. Finance leases are capitalised by recording 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 charged as expenses in the periods in which they are incurred. Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

#### **m) Provisions**

Provisions are recognised when the economic entity has a legal, equitable or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of past transactions of other past events, it is probable that a future sacrifice of economic benefits will be required and a reliable estimate can be made of the amount of the obligation.



# Notes to the financial statements (continued)

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## **Note 1. Summary of Significant Accounting Policies (continued)**

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.

### **n) Contributed Equity**

Ordinary shares are 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.

### **o) Earnings per Share**

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

### **p) Goods and Services Tax**

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet. Cash flows are included in the statement of cash flows on a gross basis.

The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the taxation authority are classified as operating cash flows.

## **Note 2. Financial Risk Management**

The company's activities expose it to a limited variety of financial risks: market risk (including currency risk, fair value interest risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the entity. The entity does not use derivative instruments.

Risk management is carried out directly by the board of directors.

### **(i) Market risk**

The company has no exposure to any transactions denominated in a currency other than Australian dollars.

# Notes to the financial statements (continued)

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## **Note 2. Financial Risk Management (continued)**

### (ii) Price risk

The company is not exposed to equity securities price risk as it does not hold investments for sale or at fair value. The company is not exposed to commodity price risk.

### (iii) Credit risk

The company has no significant concentrations of credit risk. It has policies in place to ensure that customers have an appropriate credit history. The company's franchise agreement limits the company's credit exposure to one financial institution, being Bendigo and Adelaide Bank Limited.

### (iv) Liquidity risk

Prudent liquidity management implies maintaining sufficient cash and marketable securities and the availability of funding from credit facilities. The company believes that its sound relationship with Bendigo and Adelaide Bank Limited mitigates this risk significantly.

### (v) Cash flow and fair value interest rate risk

Interest-bearing assets are held with Bendigo and Adelaide Bank Limited and subject to movements in market interest. Interest-rate risk could also arise from long-term borrowings. Borrowings issued at variable rates expose the company to cash flow interest-rate risk. The company believes that its sound relationship with Bendigo and Adelaide Bank Limited mitigates this risk significantly.

### (vi) 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 balance sheet.

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

- (i) the distribution limit is the greater of:
  - (a) 20% of the profit or funds of the franchisee otherwise available for distribution to shareholders in that 12 month period; and
  - (b) subject to the availability of distributable profits, the relevant rate of return multiplied by the average level of share capital of the franchisee over that 12 month period; and
- (ii) the relevant rate of return is equal to the weighted average interest rate on 90 day bank bills over that 12 month period plus 5%.

The board is managing the growth of the business in line with this requirement. There are no other externally imposed capital requirements, although the nature of the company is such that amounts will be paid in the form of charitable donations and sponsorship. Charitable donations and

# Notes to the financial statements (continued)

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## **Note 2. Financial Risk Management (continued)**

sponsorship paid for the year ended 30 June 2013 can be seen in the statement of comprehensive income.

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

## **Note 3. Critical Accounting Estimates and Judgements**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

### Taxation

Judgement is required in assessing whether deferred tax assets and certain tax liabilities are recognised on the balance sheet. Deferred tax assets, including those arising from un-recouped tax losses, capital losses and temporary differences, are recognised only where it is considered more likely than not that they will be recovered, which is dependent on the generation of sufficient future taxable profits.

Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. These depend on estimates of future sales volumes, operating costs, capital expenditure, dividends and other capital management transactions. Judgements are also required about the application of income tax legislation.

These judgements and assumptions are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognised on the balance sheet and the amount of other tax losses and temporary differences not yet recognised. In such circumstances, some or all of the carrying amount of recognised deferred tax assets and liabilities may require adjustment, resulting in corresponding credit or charge to the statement of comprehensive income.

# Notes to the financial statements (continued)

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## **Note 3. Critical Accounting Estimates and Judgements (continued)**

### Estimation of useful lives of assets

The estimation of the useful lives of assets has been based on historical experience and the condition of the asset is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

### Impairment of assets

At each reporting date, the company reviews the carrying amounts of its tangible and intangible assets that have an indefinite useful life to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

# Notes to the financial statements (continued)

## Note 4. Revenue from Ordinary Activities

	2013	2012
	\$	\$
Operating activities:		
- services commissions	1,359,821	1,455,959
- other revenue	-	-
Total revenue from operating activities	<u>1,359,821</u>	<u>1,455,959</u>
Non-operating activities:		
- interest received	11,926	26,765
Total revenue from non-operating activities	<u>11,926</u>	<u>26,765</u>
Total revenues from ordinary activities	<u><u>1,371,747</u></u>	<u><u>1,482,724</u></u>

## Note 5. Expenses

	2013	2012
	\$	\$
Depreciation of non-current assets:		
- plant and equipment	8,204	8,387
- leasehold improvements	12,677	13,269
Amortisation of non-current assets:		
- franchise agreement	2,311	10,000
- franchise renewal fee	9,242	-
	<u>32,434</u>	<u>31,656</u>
Bad debts	<u><u>162</u></u>	<u><u>5,787</u></u>

# Notes to the financial statements (continued)

## Note 6. Income Tax Expense

	2013 \$	2012 \$
The components of tax expense comprise:		
- Current tax	19,595	24,097
- Movement in deferred tax	(7,873)	1,457
- Adjustments to tax expense of prior periods	(3,000)	(6,000)
	<u>8,722</u>	<u>19,554</u>
The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:		
Operating profit	55,013	101,116
Prima facie tax on profit from ordinary activities at 30%	16,504	30,335
Add tax effect of:		
- non-deductible expenses	-	-
- timing difference expenses	7,873	(1,457)
- other deductible expenses	(4,782)	(4,781)
	<u>19,595</u>	<u>24,097</u>
Movement in deferred tax	12 (7,873)	1,457
Adjustments to tax expense of prior periods	(3,000)	(6,000)
	<u>8,722</u>	<u>19,554</u>
Income tax payable/(refundable)	<u>440</u>	<u>(21,005)</u>

## Note 7. Cash and Cash Equivalents

	2013 \$	2012 \$
Cash at bank and on hand	112,003	342,456
Term deposits	300,000	50,000
	<u>412,003</u>	<u>392,456</u>

The above figures are reconciled to cash at the end of the financial year as shown in the statement of cashflows as follows:

# Notes to the financial statements (continued)

## Note 7(a) Reconciliation of cash

	2013	2012
	\$	\$
Cash at bank and on hand	112,003	342,456
Term deposits	300,000	50,000
	<u>412,003</u>	<u>392,456</u>

## Note 8. Trade and Other Receivables

	2013	2012
	\$	\$
Trade receivables	158,207	110,940
Other receivables and accruals	1,942	4,481
Prepayments	8,381	8,320
	<u>168,530</u>	<u>123,741</u>

## Note 9. Property, Plant and Equipment

	2013	2012
	\$	\$
<u>Plant and equipment</u>		
At cost	113,591	111,791
Less accumulated depreciation	(76,625)	(68,420)
	<u>36,966</u>	<u>43,371</u>
 <u>Leasehold improvements</u>		
At cost	317,937	317,937
Less accumulated depreciation	(166,488)	(153,811)
	<u>151,449</u>	<u>164,126</u>
 Total written down amount	<u>188,415</u>	<u>207,497</u>

# Notes to the financial statements (continued)

## Movements in carrying amounts:

	2013	2012
	\$	\$
<u>Plant and equipment</u>		
Carrying amount at beginning	43,371	41,307
Additions	1,799	10,451
Disposals	-	-
Less: depreciation expense	(8,204)	(8,387)
Carrying amount at end	36,966	43,371
<u>Leasehold improvements</u>		
Carrying amount at beginning	164,126	177,395
Additions	-	-
Disposals	-	-
Less: depreciation expense	(12,677)	(13,269)
Carrying amount at end	151,449	164,126
Total written down amount	188,415	207,497

## Note 10. Financial Assets

	2013	2012
	\$	\$
<b>Available-for-sale financial assets</b>		
Unlisted investments at cost		
Warringah Financial Services Limited	5,000	5,000



# Notes to the financial statements (continued)

## Note 11. Intangible Assets

	2013	2012
	\$	\$
<u>Franchise fee</u>		
At cost	111,554	111,554
Less: accumulated amortisation	(102,311)	(100,000)
	<u>9,243</u>	<u>11,554</u>
<u>Renewal processing fee</u>		
At cost	46,214	46,214
Less: accumulated amortisation	(9,242)	-
	<u>36,972</u>	<u>46,214</u>
Total written down amount	<u>46,215</u>	<u>57,768</u>

## Note 12. Tax

	2013	2012
	\$	\$
<b>Non-Current:</b>		
<u>Deferred tax assets</u>		
- employee provisions	21,620	13,533
	<u>21,620</u>	<u>13,533</u>
<u>Deferred tax liability</u>		
- accruals	583	387
- deductible prepayments	2,514	2,496
	<u>3,097</u>	<u>2,883</u>
Net deferred tax asset	<u>18,523</u>	<u>10,650</u>
Movement in deferred tax charged to statement of comprehensive income	<u>(7,873)</u>	<u>1,457</u>

# Notes to the financial statements (continued)

## Note 13. Trade and Other Payables

	2013	2012
	\$	\$
Trade creditors	2,969	7,131
Other creditors and accruals	38,909	24,388
	<u>41,878</u>	<u>31,519</u>

## Note 14. Provisions

	2013	2012
	\$	\$
<b>Current:</b>		
Provision for annual leave	28,436	18,271
Provision for long service leave	11,342	10,182
	<u>39,778</u>	<u>28,453</u>
<b>Non-Current:</b>		
	<u>32,288</u>	<u>10,828</u>

## Note 15. Contributed Equity

	2013	2012
	\$	\$
<b>693,059 Ordinary shares fully paid (2012: 693,059)</b>	<b><u>693,059</u></b>	<b><u>693,059</u></b>
Less: equity raising expenses	(79,683)	(79,683)
	<u>613,376</u>	<u>613,376</u>

# Notes to the financial statements (continued)

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## **Note 15. Contributed Equity (continued)**

### Rights attached to shares

#### (a) Voting rights

Subject to some limited exceptions, each member has the right to vote at a general meeting.

On a show of hands or a poll, each member attending the meeting (whether they are attending the meeting in person or by attorney, corporate representative or proxy) has one vote, regardless of the number of shares held. However, where a person attends a meeting in person and is entitled to vote in more than one capacity (for example, the person is a member and has also been appointed as proxy for another member) that person may only exercise one vote on a show of hands. On a poll, that person may exercise one vote as a member and one vote for each other member that person represents as duly appointed attorney, corporate representative or proxy.

The purpose of giving each member only one vote, regardless of the number of shares held, is to reflect the nature of the company as a community based company, by providing that all members of the community who have contributed to the establishment and ongoing operation of the Community Bank® have the same ability to influence the operation of the company.

#### (b) Dividends

Generally, dividends are payable to members in proportion to the amount of the share capital paid up on the shares held by them, subject to any special rights and restrictions for the time being attaching to shares. The franchise agreement with Bendigo and Adelaide Bank Limited contains a limit on the level of profits or funds that may be distributed to shareholders. There is also a restriction on the payment of dividends to certain shareholders if they have a prohibited shareholding interest (see below).

#### (c) Transfer

Generally, ordinary shares are freely transferable. However, the directors have a discretion to refuse to register a transfer of shares.

Subject to the foregoing, shareholders may transfer shares by a proper transfer effected in accordance with the company's constitution and the Corporations Act.

### Prohibited shareholding interest

A person must not have a prohibited shareholding interest in the company.

In summary, a person has a prohibited shareholding interest if any of the following applies:

- They control or own 10% or more of the shares in the company (the "10% limit").

# Notes to the financial statements (continued)

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## **Note 15. Contributed Equity (continued)**

- In the opinion of the board they do not have a close connection to the community or communities in which the company predominantly carries on business (the “close connection test”).

### Prohibited shareholding interest (continued)

- Where the person is a shareholder, after the transfer of shares in the company to that person the number of shareholders in the company is (or would be) lower than the base number (the “base number test”). The base number is 374. As at the date of this report, the company had 412 shareholders.

As with voting rights, the purpose of this prohibited shareholding provision is to reflect the community-based nature of the company.

Where a person has a prohibited shareholding interest, the voting and dividend rights attaching to the shares in which the person (and his or her associates) have a prohibited shareholding interest, are suspended.

The board has the power to request information from a person who has (or is suspected by the board of having) a legal or beneficial interest in any shares in the company or any voting power in the company, for the purpose of determining whether a person has a prohibited shareholding interest. If the board becomes aware that a member has a prohibited shareholding interest, it must serve a notice requiring the member (or the member’s associate) to dispose of the number of shares the board considers necessary to remedy the breach. If a person fails to comply with such a notice within a specified period (that must be between three and six months), the board is authorised to sell the specified shares on behalf of that person. The holder will be entitled to the consideration from the sale of the shares, less any expenses incurred by the board in selling or otherwise dealing with those shares.

The National Stock Exchange (NSX) has advised that in its view the prohibited shareholding provisions are appropriate and equitable but the ‘base number test’ is not as a result the base number clause does not operate whilst the company remains listed on the NSX.

In the constitution, members acknowledge and recognise that the exercise of the powers given to the board may cause considerable disadvantage to individual members, but that such a result may be necessary to enforce the prohibition.

# Notes to the financial statements (continued)

## Note 16. Retained Earnings

	2013	2012
	\$	\$
Balance at the beginning of the financial year	133,941	121,685
Net profit from ordinary activities after income tax	46,291	81,562
Dividends paid or provided for	(69,306)	(69,306)
Balance at the end of the financial year	<u>110,926</u>	<u>133,941</u>

## Note 17. Statement of Cashflows

Reconciliation of profit from ordinary activities after tax to net cash provided by operating activities

	2013	2012
	\$	\$
Profit from ordinary activities after income tax	46,291	81,562
Non cash items:		
- depreciation	20,881	21,656
- amortisation	11,553	10,000
Changes in assets and liabilities:		
- (increase)/decrease in receivables	(44,789)	4,619
- (increase)/decrease in other assets	13,572	(7,933)
- increase/(decrease) in payables	10,359	(4,985)
- increase/(decrease) in provisions	32,785	(8,548)
Net cashflows provided by operating activities	<u>90,652</u>	<u>96,371</u>

# Notes to the financial statements (continued)

## Note 18. Leases

### Operating lease commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements

	2013	2012
	\$	\$
Payable - minimum lease payments		
- not later than 12 months	96,125	94,241
- between 12 months and 5 years	272,984	369,109
	<u>369,109</u>	<u>463,349</u>

The lease on the branch premises is a non-cancellable lease with a five-year term which expires on 13 June 2017. There are two options to renew the lease for a further five years available to be exercised at the conclusion of each term. Annual rent is currently \$94,241 plus GST.

## Note 19. Auditor's Remuneration

	2013	2012
	\$	\$
Amounts received or due and receivable by the auditor of the company for:		
- audit and review services	4,700	4,500
- share registry services	3,608	2,863
- non audit services	3,048	3,338
	<u>11,356</u>	<u>10,701</u>

## Note 20. Director and Related Party Disclosures

The names of directors who have held office during the financial year are:

Trevor Leslie Sargeant  
Garry Stanley Chadwick  
Ian John Greentree  
Martin Edwin Brook  
Noela Rose Roberts  
John Vaccaro  
Denise Faith Goldstein (Appointed 17 July 2012)  
Peter Eric Harley (Appointed 21 August 2012)  
Kevin Duncan Abrahamson (Appointed 20 November 2012)

No director or related entity has entered into a material contract with the company. No director's fees have been paid as the positions are held on a voluntary basis.

# Notes to the financial statements (continued)

<b>Directors' Shareholdings</b>	<b><u>2013</u></b>	<b><u>2012</u></b>
Trevor Leslie Sargeant	2,001	2,001
Garry Stanley Chadwick	15,001	15,001
Ian John Greentree	1,501	1,501
Martin Edwin Brook	2,001	2,001
Noela Rose Roberts	9,001	9,001
John Vaccaro	501	501
Denise Faith Goldstein ( <i>Appointed 17 July 2012</i> )	1	-
Peter Eric Harley ( <i>Appointed 21 August 2012</i> )	1	-
Kevin Duncan Abrahamson ( <i>Appointed 20 November 2012</i> )	1	-

## **Note 21. Dividends Paid or Provided**

	<b><u>2013</u></b>	<b><u>2012</u></b>
	<b>\$</b>	<b>\$</b>
<b>a. Dividends paid during the year</b>		
Prior year proposed final		
100% (2012: 100%) franked dividend - 10 cents	69,306	69,306
(2012: 10 cents) per share		
<b>b. Franking account balance</b>		
Franking credits available for subsequent reporting periods are:		
- franking account balance as at the end of the financial year	58,967	75,421
- franking credits that will arise from payment of income tax payable as at the end of the financial year	440	-
- franking debits that will arise from refund of income tax as at the end of the financial year	-	(21,005)
Franking credits available for future financial reporting periods:	59,407	54,416
- franking debits that will arise from payment of dividends proposed or declared before the financial report was authorised for use but not recognised as a distribution to equity holders during the period	-	-
Net franking credits available	59,407	54,416

# Notes to the financial statements (continued)

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The tax rate at which dividends have been franked is 30% (2012: 30%).

Dividends proposed will be franked at a rate of 100% (2012: 100%).

## **Note 22. Earnings Per Share**

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
(a) Profit attributable to the ordinary equity holders of the company used in calculating earnings per share	46,291	81,562
	<b><u>Number</u></b>	<b><u>Number</u></b>
(b) Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	693,059	693,059

## **Note 23. Events Occurring After the Balance Sheet Date**

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

## **Note 24. Contingent Liabilities**

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

## **Note 25. Segment Reporting**

The economic entity operates in the service sector where it facilitates Community Bank® services in Harbord, New South Wales pursuant to a franchise agreement with Bendigo and Adelaide Bank Limited.

## **Note 26. Registered Office/Principal Place of Business**

The entity is a company limited by shares, incorporated and domiciled in Australia. The registered office and principal place of business is:

### Registered Office

20 Albert Street  
Freshwater NSW 2096

### Principal Place of Business

20 Albert Street  
Freshwater NSW 2096



# Notes to the financial statements (continued)

## Note 27. Financial Instruments

### Net Fair Values

The net fair values of financial assets and liabilities approximate the carrying values as disclosed in the balance sheet. The company does not have any unrecognised financial instruments at the year end.

### Credit Risk

The maximum exposure to credit risk at balance date to recognised financial assets is the carrying amount of those assets as disclosed in the balance sheet and notes to the financial statements.

There are no material credit risk exposures to any single debtor or group of debtors under financial instruments entered into by the economic entity.

### Interest Rate Risk

Financial instrument	Floating interest rate		Fixed interest rate maturing in					
			1 year or less		Over 1 to 5 years		Over 5 years	
	2013	2012	2013	2012	2013	2012	2013	2012
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Financial Assets</b>								
Cash and cash equivalents	111,614	342,068	300,000	50,000	-	-	-	-
Receivables	-	-	-	-	-	-	-	-
<b>Financial Liabilities</b>								
Payables	-	-	-	-	-	-	-	-

Financial instrument	Non interest bearing		Weighted average effective interest rate	
	2013	2012	2013	2012
	\$	\$	%	%
<b>Financial Assets</b>				
Cash and cash equivalents	388	388	5.83	5.12
Receivables	158,207	110,940	N/A	N/A
<b>Financial Liabilities</b>				
Payables	41,877	31,519	N/A	N/A

# Directors Declaration

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In accordance with a resolution of the directors of Harbord Financial Services Limited, we state that:

In the opinion of the directors:

- (a) the financial statements and notes of the company are 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 2013 and of its performance for the financial year ended on that date; and
  - (ii) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; 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.
- (c) the audited remuneration disclosures set out in the remuneration report section of the directors' report comply with Accounting Standard AASB124 Related Party Disclosures and the Corporations Regulations 2001.

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



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**Trevor Leslie Sargeant, Chairman**

Signed on the 30th of September 2013.

## **Independent auditor's report to the members of Harbord Financial Services Limited**

### **Report on the financial report**

We have audited the accompanying financial report of Harbord Financial Services Limited, which comprises the balance sheet as at 30 June 2013, statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

### **Directors' responsibility for the financial report**

The directors of the company are responsible for the preparation and presentation of the financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making fair accounting estimates that are reasonable in the circumstances. In note 1, the directors also state in accordance with the Accounting Standard AASB 101 Presentation of Financial Statements that the financial statements comply with International Financial Reporting Standards.

### **Auditor's responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our 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, we consider internal controls relevant to the entity's preparation and 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.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the company's financial position and of its performance.

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

Liability limited by a scheme approved under Professional Standards Legislation. ABN: 51 061 795 337.

P: (03) 5443 0344 | F: (03) 5443 5304 | 61-65 Bull St./PO Box 454 Bendigo Vic. 3552 | [afs@afsbendigo.com.au](mailto:afs@afsbendigo.com.au) | [www.afsbendigo.com.au](http://www.afsbendigo.com.au)

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## **Independence**

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written auditor's independence declaration, a copy of which is included in the directors' report.

## **Auditor's opinion on the financial report**

In our opinion:

- 1) The financial report of Harbord Financial Services Limited is in accordance with the *Corporations Act 2001* including giving a true and fair view of the company's financial position as at 30 June 2013 and of its financial performance and its cash flows for the year then ended and complying with Australian Accounting Standards and the Corporations Regulations 2001.
- 2) The financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

## **Report on the remuneration report**

We have audited the remuneration report included in the directors' report for the year ended 30 June 2013. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

## **Auditor's opinion**

In our opinion, the remuneration report of Harbord Financial Services Limited for the year ended 30 June 2013, complies with section 300A of the *Corporations Act 2001*.



**David Hutchings**  
**Andrew Frewin Stewart**  
61 Bull Street Bendigo Vic 3550

Dated: 30 September 2013

# NSX Report

Harbord Financial Services Limited is a public Company incorporated in Australia and listed on the National Stock Exchange of Australia (NSX).

## Shareholding

The following table shows the number of shareholders, broken into various categories showing the total number of shares held.

<b><u>Number of shares held</u></b>	<b><u>Number of shareholders</u></b>	<b><u>Number of shares held</u></b>
1 to 1,000	272	188057
1,001 to 5,000	132	447270
5,001 to 10,000	6	45732
10,001 to 100,000	1	12000
100,001 and over	0	0
Total shareholders	411	693,059

## Equity securities

Each of the above shareholders are entitled to 1 vote, irrespective of the number of shares held.

There are no substantial shareholders (holding more than 5% of voting rights) as each shareholder is entitled to 1 vote. Normally holding more than 5% of total issued shares would create a substantial shareholder, but this is not applicable due to the voting restrictions for the company.

There are 13 shareholders holding less than a marketable parcel of shares (\$500 in value).

There are no restricted securities on issue.

All shares on issue are ordinary shares fully paid to \$1 per share.

There are no unquoted equity securities.

## Ten largest shareholders

The following table shows the 10 largest shareholders.

<b><u>Shareholder</u></b>	<b><u>Number of fully paid shares held</u></b>	<b><u>Percentage of issued capital</u></b>
GREGORY ANDREW MARAUN <ESTATE PETER NOEL MARAUN A/C>	12000	1.73
BRETROE PTY LTD <JOHN THORPE & PATRICIA KING SUPERANNUATION FUND A/C>	10000	1.44
MRS NOELA ROSE ROBERTS	8001	1.15
STAAS PRINTING PTY LTD	8000	1.15
WINPAR HOLDINGS LIMITED	7500	1.08

SANTOSHA SUPERANNUATION FUND PTY LTD <SANTOSHA SUPER FUND A/C>	6231	0.90
MR PHILLIP ROHAN MARSH	6000	0.87
MR HARRY S BEDIKIAN	5000	0.72
MRS MARGARET KATHLEEN HUCKLE & MR ROBERT CHARLES HUCKLE	5000	0.72
MRS SUSAN B MORGAN & MR MICHAEL MORGAN	5000	0.72
KEELPIN PTY LTD <SUPER FUND A/C>	5000	0.72
PETER GARD & JOY GARD <GARD FAMILY SUPER FUND A/C>	5000	0.72
SCOTT ALLEN SMITH	5000	0.72
GOLONG INVESTMENT PTY LTD	5000	0.72
MR WILLIAM ARCHIBALD TUESLEY & MRS BETTY JOYCE TUESLEY	5000	0.72
MR IAN GEOFFREY KIRK <KIRK FAMILY CHILDREN A/C>	5000	0.72
MR GUNTHER BIRK & MRS HELEN LOUISE BIRK	5000	0.72
MR ROBERT ANTHONY WALKER	5000	0.72
GRAHAM RIGONI & JULIE RIGONI	5000	0.72
MR ANDRO TOMICH & MRS LAURA TOMICH	5000	0.72
MR NEIL MICHAEL CRUMMY	5000	0.72
MRS MARTHA JANE CRUMMY	5000	0.72
WHITE CAPERS PTY LTD	5000	0.72
MR LEIGH GERARD SIMON	5000	0.72
MR RONALD VINCENT SPLATT & MRS LESLEY SPLATT	5000	0.72
BMP CONSULTING PTY LTD	5000	0.72
GSC INVESTMENT SERVICES P/L	5000	0.72
GSC INVESTMENT SERVICES P/L <SUPERANNUATION FUND A/C>	5000	0.72
ESTATE LATE JAN CHADWICK	5000	0.72
MR ROSS ALAN DALGLEISH & MRS MARIE THERESE DALGLEISH	5000	0.72
MRS DARIEN WISE	5000	0.72
BILL MESSENGER	5000	0.72
MR ALAN GOURLAY	5000	0.72
MRS KAREN LOUISE GOURLAY	5000	0.72
ANTHONY TIBBLES & GWEN TIBBLES	5000	0.72
CENTRE FOR HEALTH PROMOTION & RESEARCH PTY LTD	5000	0.72
MRS SUTCHADA HEATON	5000	0.72
MR BRADLEY O'CONNOR	5000	0.72
MRS SUSAN JANE MARTIN	5000	0.72
MR STEFAN WILLIAMS & MS JANELLE WILLIAMS	5000	0.72
GARETH PUGH JONES	5000	0.72
RB WELLS & KA WILSON & VJ LEWIS <ESTATE LATE SONJA EKSTEIN A/C>	5000	0.72
ALEC LAZICH & JOAN LAZICH	5000	0.72
MRS HELEN ELIZABETH CRUMP	5000	0.72
KARL MAX KOLLER	5000	0.72
MR DOUGLAS HAMILTON NORTH	5000	0.72
MRS DEIRDRE CHAMBERS	5000	0.72
MR FRANK NOBLE	5000	0.72
BARRY AUSTIN JONES & IMELDA CLAIRE JONES	5000	0.72
MRS PATRICIA ELLEN HORTON	5000	0.72
MR TREVOR MARK HORTON	5000	0.72

KEN SPARKS <SUPERANNUATION FUND A/C>	5000	0.72
MR RICHARD GRANVILLE WRAY	5000	0.72
MS ANN NOREEN RICHARDS	5000	0.72
JOHN FREDERICK ROBERTS	5000	0.72
SYLVIA MAY MORTON	5000	0.72
REX MCLAREN MAILMAN	5000	0.72
SUSAN MORGAN	5000	0.72
T.B.M. (AUST) PTY LTD	5000	0.72

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317,732	46
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### **Registered office and principal administrative office**

The registered office of the company is located at:

20 Albert Street  
FRESHWATER NSW 2096  
Phone: (02) 9939 8990

The principal administrative office of the company is located at:

20 Albert Street  
FRESHWATER NSW 2096  
Phone: (02)9939 8990

### **Security register**

The security register (share register) is kept at:

AFS & Associates	Postal Address:
61-65 Bull Street	PO BOX 454
Bendigo VIC 3550	BENDIGO VIC 3552
Phone: (03) 5443 0344	

### **Company Secretary**

Ian Greentree has been the Company Secretary of Harbord Financial Services Limited for 7 years. Ian's qualifications and experience include:

Diploma in Law admitted as a Solicitor to the Supreme Court of NSW  
Associate Diploma in Accounting  
Member of Institute of Public Accountants  
Associate of Chartered Secretaries Australia

# NSX Report (continued)

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## Corporate governance

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

- (a) The establishment of an audit committee. Members of the audit committee are Trevor Sargeant; Ian Greentree; Garry Chadwick
- (b) Director approval of operating budgets and monitoring of progress against these budgets;
- (c) Ongoing Director training; and
- (d) Monthly Director meetings to discuss performance and strategic plans.

## Annexure 3

There are no material differences between the information in the company's Annexure 3 and the information in the financial documents in its Annual Report.

## 5 Year summary of performance

		2009	2010	2011	2012	2013
Gross revenue	\$	1,080,357	1,305,443	1,469,622	1,482,724	1,371,747
Net profit before tax	\$	138,464	173,697	128,274	101,116	55,013
Total assets	\$	743,739	884,196	819,394	818,117	838,686
Total liabilities	\$	99,099	171,402	84,333	70,800	114,384
Total equity	\$	644,640	712,794	735,061	747,317	724,302

## Share Holder Dividend Payment History

YEAR	Cents per share	Total Distribution
2004 / 2005	2.25 cents	\$15,593.83
2005 / 2006	3.5 cents	\$24,257.06
2006 / 2007	10 cents	\$69,305.90
2007 / 2008	10 cents	\$69,305.90
2008 / 2009	8 cents	\$55,444.72
2009 / 2010	10 cents	\$69,305.90
2010 / 2011	10 cents	\$69,305.90
2011 / 2012	10 cents	\$69,305.90
2012 / 2013	4.5 cents	\$31,187.65
Total	68.25 cents	



# Director History

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<b>Steering Committee</b>	
Bernard O'Connor	Chairman
Robert Adams	
Brian Dunphy	
Greg Hazlett	
Jeremy Hodges	
Ian Joynson	
Roger Leys	
Peter Lowther	
Bryce Rea	
Deidre McAlinden	Public Relations
Peter Kemp	Solicitor
Stephen Armstrong	Accountant
David McCauley	Bendigo Bank
<b>Inaugural Directors</b>	
Domenic Gerace	Chairman
Dr Trevor Sargeant	Vice Chairman
Brian Dunphy	Company Secretary
Martin Brook	
Ian Joynson	
Howard Lipman	
Phillip Murray	
Dr Howard Wong-See (Dec'd)	
<b>Previous Directors</b>	
Brian Dunphy	
Anita Hutcheson	
Phillip Murray	
Andrew Speers	
Howard Lipman	
Dr Howard Wong-See (Dec'd)	
John Lang	
Lisa Bousfield	
Darren Jones	
Brad O'Connor	
Ian Joynson	Now Ambassador

# 2012-2013 Donations, Grants & Sponsorships

NAME OF RECIPIENT	SPONSORSHIP DESCRIPTION	AMOUNT
<b>DONATIONS</b>		
Bear Cottage Fundraiser	Youth Observer project - Calendars	\$815.60
Cassidy's of Harbord P/L Charity Account	2011 Pamper the Parents Ball Table x 10 / 2012 Weight loss Challenge	\$561.00
CNDCAF Bridge of Hope	Recipient of Freshwater Carols candle sales	\$844.50
Lions Club of Manly	Circus Quirkus	\$550.00
Manly & Mosman Parkinson's Support Group	Christmas lunch	\$250.00
Mike Baird, State Member for Manly - Manly Community Fundraiser	Schizophrenia Fellowship of NSW & Rainbow Club Inc	\$5,000.00
Relay for Life - Cancer Council	St Paul's Catholic College team running - request direct donation	\$100.00
Royal Flying Doctors / Team CX	Donation as part of fundraising by Team CX	\$500.00
St Peter's Uniting Church Freshwater	Equipment & toys for family groups	\$850.00
Melanoma March Fundraiser	Samantha Ward raising money in memory of Ken Ward for Melanoma research	\$500.00
St John Ambulance	Representation at Celebrate Freshwater	\$150.00
Historic Fire Engine Association	Representation at Celebrate Freshwater	\$100.00
Rotary Club of Dee Why/Warringah	Raffle ticket purchases at \$10 each	\$100.00
Lions Club District Convention	Lions Club District Convention	\$500.00
Cancer Council NSW	Australia's Biggest Morning Tea (hosted 23.05.2013)	\$425.00
Warringah Council - Outdoor Seating Shade Area	Permanent Seating underneath new shade cloth - Freshwater Plaza 2013	\$7,000.00
Brent Wise Fundraiser		\$500.00
	<b>TOTAL DONATIONS PAID</b>	<b>\$18,746.10</b>
<b>COMMUNITY GRANTS</b>		
NBSC – Balgowlah Boys Campus - Thomas Elliott	Recipient of Tertiary Scholarship Award 2013 - DEFERRED TO 2013-2014 FY	\$0.00
NBSC – Manly Selective Campus - Emilia Loughland	Recipient of Tertiary Scholarship Award 2013 - DEFERRED TO 2013-2014 FY	\$0.00
NBSC – Mackellar Girls Campus Nina Newcombe	Recipient of Tertiary Scholarship Award 2013 & Ken Ward Memorial Scholarship recipient	\$2,500.00
Stella Maris College - Rachel Nunn	Recipient of Tertiary Scholarship Award 2013	\$2,500.00
St Augustine's College - Rory O'Connor	Recipient of Tertiary Scholarship Award 2013	\$2,500.00
St Paul's Catholic College - Jacob Tsagaris	Recipient of Tertiary Scholarship Award 2013	\$2,500.00
St Luke's Grammar School - Jessica Williams	Recipient of Tertiary Scholarship Award 2013 - DEFERRED TO 2013-2014 FY	\$0.00
NBSC – Freshwater Senior Campus - Jovana Zelenbaba	Recipient of Tertiary Scholarship Award 2013	\$2,500.00
Harbord Community Library	"Access" & office equipment	\$1,000.00
Curl Curl North Public School P&C Association	Market Day 8/9 \$1700.00; Trivia Night 9/11 \$6975; Fun Run \$1239	\$7,500.00
Freshwater Senior Campus	Prizes for academic awards	\$5,000.00
Harbord Community Kindergarten Inc.	Wine & cheese night 21/9/12	\$1,000.00
Harbord Public School - P&C Association	Ongoing Community Sponsor - education resources	\$10,000.00
Harbord Public School - Band Program	SAX & WOODWIND - Instrument Purchases	\$1,318.18
Harbord Public School - Band Program	OPTIMUM PERCUSSION - Instrument purchases	\$877.11
Mackellar Girls High School	Technology in every classroom	\$2,000.00
St John the Baptist Catholic School	Computers for new class in 2013	\$5,000.00
St Luke's Grammar	Spring Fair 2012	\$1,060.00
St Pauls Catholic College Manly	Sponsor - School major	\$2,000.00
	<b>TOTAL COMMUNITY GRANTS</b>	<b>\$49,255.29</b>

# 2012-2013 Donations, Grants & Sponsorships

NAME OF RECIPIENT	SPONSORSHIP DESCRIPTION	AMOUNT
<b>SPONSORSHIP</b>		
Northside Enterprises Inc	Cover of wages of 3 disabled staff for 48 weeks	\$11,664.00
Rotary Club Pittwater	Bronze Sponsorship -Nthn Beaches Spring Concert 7/9/12	\$500.00
Manly Warringah Avicultural Society	54th Annual Bird Show sponsorship	\$500.00
Two Hands Project	Community Event funding / refund events	\$1,500.00
Freshwater Community Gardens	Freshwater Community Garden - Crown Rd	\$2,500.00
Steven Trower - Payout personal loan	Payout of personal loan due to severe brain injury	\$5,615.59
Freshwater Community Carols	OLIVER HIRE - Brian Hayes reimbursement for stage hire for Christmas Carols	\$1,281.82
Freshwater Community Carols	QUIZWORX - Christmas Carol Entertainment	\$550.00
Manly Council	Christmas Choral Concert	\$3,000.00
Northern Sydney Symphonic Wind Ensemble Inc	NSSWE Spring Musical Festival 7/8 September - Artwork	\$5,200.00
Curl Curl Youth FC	Purchase of 120qty new training balls	\$1,584.00
Freshwater Community Bank Triathletes	Registration of team for Nissan Corporate Triathlon National Series 2013	\$425.00
Harbord Bowling & Recreational Club	FCB Open Two Triples Tournament	\$10,000.00
Harbord Devils Junior Cricket Club	Ongoing sponsorship of Junior cricket club	\$2,000.00
Harbord Fish Bowl	Reimbursement for Insurance, apparel and website construction	\$681.82
Harbord Harlequins Rugby Club	Subsidising of registration & equipment	\$4,000.00
Harbord Seaside United FC	Primary Club sponsor	\$6,000.00
Harbord United JRLFC	Supply team jerseys	\$3,000.00
Harbord Womens Bowling Club	Carnival day sponsor	\$300.00
Manly Allambie United FC	Sponsorship - new equipment	\$3,500.00
Manly Bombers Junior ALF Club	Purchase of sporting gear for training and game days	\$3,000.00
Manly Christian Brothers JRLFC	Sponsorship for club	\$3,000.00
Manly Cove JRLFC	2012 Sponsorship - new equipment	\$1,000.00
Manly Croquet Club Inc	Seabreeze Tournament sponsorship 2012	\$1,200.00
Manly Junior Rugby Union / NZ Tour	Raffle Ticket to win branding rights	\$100.00
Manly Seaside Baseball Club	Season sponsorship 2012-2013	\$3,000.00
Manly United Football Club	Grass Roots Development Program	\$7,800.00
Manly Warringah AFL - The Wolves	Assistance with funding for Club Weldon -extra funds	\$3,000.00
Manly Warringah Football Association	Sponsor - Club Major 2012-2013	\$20,000.00
Manly Warringah Netball Association	Fit out so storage areas & first aid	\$20,000.00
North Curl Curl Knights JRLFC	Provide registration for players & parents & uniforms	\$1,500.00
Sydney Northern Beaches Water Polo	Sponsorship for club development	\$3,075.00
Valley United JRLC	Sponsorship and assistance of club running costs	\$10,000.00
Warringah Cricket Club	Sponsorship and assistance of club running costs	\$1,000.00
Manly Christian Brothers JRLFC	Golf Day 2013	\$490.91
Curl Curl Amateur Swim Club	Replacement of worn and damaged equipment	\$808.00
Freshwater Amateur Swimming Club	Freshwater WASA Handicap meet	\$750.00
Freshwater Longboard Club	Cover costs for rego, insurance & trailer repairs	\$1,500.00
Freshwater SLSC	Sponsorship - Club	\$20,000.00
Harbord Frigid Frogs Winter Swim Club	Team Apparel	\$1,500.00
Long Reef Boardriders Association	God's Country Teams Titles sponsorship 2012	\$1,000.00
Manly Malibu Boardriders Club	CJ Snowy McAlister Winter Surfing Festival	\$2,500.00
North Curl Curl SLSC	Life Saving training; Nippers & 3 Point Challenge	\$20,000.00
	<b>TOTAL SPONSORSHIP PAID</b>	<b>\$190,026.14</b>
	<b>GRAND TOTAL</b>	<b>\$258,027.53</b>

If you are involved with a community organisation or sporting club,  
Freshwater **Community Bank**® Branch of Bendigo Bank would welcome your banking.



Freshwater **Community Bank®** Branch  
 20 Albert Street Freshwater NSW 2096  
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Harbord Financial Services Limited

Freshwater  
**Community Bank®** Branch



Franchisee: Harbord Financial Services Limited

#### **Registered office and principal administrative office**

The registered office of the company is located at:

20 Albert Street Freshwater NSW 2096 | 02 9939 6744

The principal administrative office of the company is located at:

20 Albert Street Freshwater NSW 2096 | 02 9939 6844

#### **Security Register**

The security register (share register) is kept at:

AFS & Associates

61 - 65 Bull Street Bendigo VIC 3550 | 03 5443 0344

Postal Address:

PO Box 454 Bendigo VIC 3552