



Annual report 2016

Harbord Financial Services Limited

ABN 25 097 282 525

Freshwater **Community Bank®** Branch of Bendigo Bank

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Chairman's Report

It is again a pleasure to report on the success of our great bank and the strengthening of our **Community Bank®** network.

It's been 18 years since Bendigo Bank and two rural communities announced they were joining forces to open **Community Bank®** branches.

The initial aim was to return traditional bank branches to regional communities.

It was soon obvious that the 'community' aspect of this unique banking model was going to be just as important to all types of communities; whether they are rural, regional or urban.

Today, there are 312 **Community Bank®** communities across the states and territory in Australia.

The statistics are impressive:

- More than \$148 million in community contributions returned to local communities
- 1,900 Directors
- 1,500 staff
- More than \$38 million in shareholder dividends.

Yes, these figures are staggering.

But dig a little deeper and what's more significant is that social issues affecting every community in Australia have received funding from **Community Bank®** companies.

- | | | |
|-------------------------------|----------------------|---------------|
| *Aged care | *Youth disengagement | *Homelessness |
| *Domestic and family violence | *Mental health | *Unemployment |
| *Environment | | |

Freshwater **Community Bank®** Branch / Harbord Financial Services Ltd has been a major contributor to this model.

With your support, excellent caring staff led by Sandy, a Board of Directors and Ambassadors who have to be the most balanced qualified and motivated in the network, we have been able to contribute over \$2 million to this great community and \$556,180 in dividends to our local shareholders.

Sponsorship, Community Grants and Donations

Payments for Sponsorship (\$93,113), Community Grants (\$33,500) and Donations (\$1,465) and Community Enterprise FoundationTM (\$11,603) were made to various organisations over the year totalling \$139,681.

These community grants and sponsorships have made a significant difference to a number of local organisations (all listed in the back of this Annual Report).

We look forward to continuing to fund these groups and others of course, as we grow with the community support!

Review of **Community Bank**® model / Project Horizon

Changes to financial model

A core principle of the **Community Bank**® model is a 50/50 share of margin earned on core banking products. To better reflect this core principal, a new Revenue Share model was introduced from 1 July 2016.

Bendigo and Adelaide Bank Ltd (“BEN”) has adopted a Funds Transfer Pricing (FTP) model for **Community Bank**® Revenue Share, effective 1 July 2016. BEN applies its FTP methodology to regulatory reporting, performance management and revenue share. The FTP model:

- Is a method used to measure how much each account or product is contributing to overall profitability, given a current cost of marginal funding.
- gives the BEN Group a better understanding of the net interest margin component of overall profitability.
- Assigns a FTP rate based on the repricing characteristics and behavioural duration of products.

The BEN FTP revenue share sources **Community Bank**® company product data and then applies BENs FTP rates to calculate revenue share for each **Community Bank**® branch by core banking product i.e. loans and deposits. The BEN FTP revenue share is reported to each **Community Bank**® company on a monthly basis.

The FTP methodology is reviewed annually with changes approved by BEN’s Asset and Liability Management Committee (ALMAC). BEN’s Board Risk Committee approves changes to the FTP Policy.

As reported in 2015 report our board has reviewed and adopted the new margin share by signing a new modified franchise agreement on behalf of you the shareholders.

At this stage the margin share figures look positive and our profit share should improve accordingly on our 2016 figures!

I particularly want to thank our treasurer David Irvine and John Vaccaro our NSW **Community Bank**® Strategic Advisory Board member for their energy and enthusiasm in achieving this result.

Scholarship / Tertiary funding

Our fourth year of the Tertiary Scholarship scheme has continued to be very well accepted and successful.

With the direction of Peter Harley we have a budget of \$50,000 to invest in the academic future of our youth in this great community.

2016 Recipient and Freshwater Student of the Year:

Anna Ritchie – St Luke’s Grammar School

2016 All Rounder lists:

Isaac Arnold – NBSC Manly Selective Campus

Jessica Chignell – NBSC Freshwater Senior Campus

2016 Individual recipients:

Huon Williams – NBSC Balgowlah Boys Campus

Bronte Munro – NBSC Mackellar Girls Campus

Matilda Gould – Stella Maris College

Nicholas Chivers – St Augustine's College

James Bourcier – St Pauls College

Youth Observers

Charlotte Carr – Stella Maris College

Grace Kendall – Stella Maris College

Cellina Polifrone-Occelli – NBSC Mackellar Girls Campus

Maddison Turley – NBSC Mackellar Girls Campus

The participants have again initiated successful community programs.

Charlotte and Grace are working with the Street Work organisation in Manly to provide an art workshop for disadvantaged young women and Cellina and Maddison have been working with the Manly Community Centre to provide personal gift bags for the homeless.

Thank you to our participants for your enthusiasm and congratulations on your achievements.

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 John Vaccaro, Ian Greentree, Martin Brook, Noela Roberts, Peter Harley, Denise Goldstein, Tony Bevan and David Irvine for their service and congratulate Julie Rigoni on her appointment.

Ambassadors

We are fortunate to have an active Ambassador network that supports us all and ensures our Succession Planning.

Thank you to Ian Joynton, Tom Guy, Bryn Russell, Greg Harding and Rohan Fell. Rohan is now a member of the National Future Leaders Board.

Staff

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

Dividend / Result

I have to report that even though total business grew by 19.5% to some \$228million our revenue decreased by 3.1% from \$1.179 million to \$1.143 million. Despite the growth in the business the effect lower interest rates have again decreased our revenues and net profit.

The final profit after income tax expenses for the financial year ended 30 June 2016 was \$62,909, to \$65,130 in the prior year.

The Board is pleased to announce a fully franked dividend of 7.0 cents per share for this financial year, this is an increase from the 6.5 cents for 2015.

We wish to acknowledge our auditor Graeme Stewart, accountants Anthony and Lachlan and Rose who manages the share registry and our partners Bendigo Bank.

The Directors retiring by rotation are Martin Brook, Peter Harley and myself. In addition Julie Rigoni is to be ratified as a Director. The Board recommends that you support the re-election / election of these Directors.

I would like to thank you the shareholders, Directors, Ambassadors, the Staff, our customers and the community for supporting Freshwater (Harbord) **Community Bank**® Branch enabling us to achieve and sustain our success.

As reported previously because of margin changes resulting from Project Horizon, this next year's profit share looks much more positive. All our board and staff look forward to sharing this with the community and you the shareholders.

Finally I thank you for the privilege of serving this great community of ours.



Trevor Sargeant

Chairman 2016

Manager's Report

Once again I have the privilege as Manager of Freshwater **Community Bank**[®] Branch to report on the great success we have achieved over the last 12 months and contribute to what is our 15th Annual Report.

Our focus as always remains around adding value to our existing customers while building new relationships in our community to ultimately grow our business.

It was another challenging year in a highly competitive financial market. We have witnessed record low lending rates for our borrowers while trying to keep our retired and deposit customers satisfied with low deposit rates. However we did achieve some positive results with an overall growth in our business of \$37.2 million with both our lending and deposit targets exceeded.

Our results are a team effort and can be attributed to our passionate, customer connected staff of Simmone, Kasey, Su-Ellen, Kerryn, Angela and Cheerie.

We did see some personnel changes this year with Helen, Melanie and Jacqui leaving us and we wish them all the best with their future ventures.

Some milestones also achieved this year as we celebrated 10 years' service for both Kasey and Cheerie.

Our community contributions were again substantial with \$139,681 being returned to our local community through donations, grants and sponsorships, which makes a significant difference to numerous organisations. This is a very rewarding aspect to my role & something we are very proud of.

We continue to receive support from our partners at Bendigo and Adelaide Bank and our State Office team with which we have a close working relationship. A special thanks to my Business Banker Michael Sims who is always available to guide and assist managing our Business Portfolio.

Our Board of Directors and Ambassadors dedicate many volunteer hours and work tirelessly in their roles to support me in my role as Branch Manager and to ensure the ongoing success of our business. This group places our **Community Bank**[®] branch in a unique position to be able to provide quality banking services to our community whilst producing great outcomes for our customers, shareholders and sponsored organisations.

We look forward to serving you and yet another successful year and encourage all shareholders who don't currently bank with us to give me a call and see how we can assist with your banking requirements.



Sandra Kleiner

Branch Manager

Bendigo and Adelaide Bank Ltd Report

It's been 18 years since Bendigo Bank and two rural communities announced they were joining forces to open **Community Bank**[®] branches.

The initial aim was to return traditional bank branches to regional community.

It was soon obvious that the 'community' aspect of this unique banking model was going to be just as important to all types of communities; whether they are rural, regional or urban.

Today, there are 312 **Community Bank**[®] communities in every state and territory of Australia. The statistics are impressive:

- More than \$148 million in community contributions returned to local communities
- 1,900 Directors
- 1,500 staff
- More than \$38 million in shareholder dividends.

Yes, these figures are staggering.

But dig a little deeper and what's more significant is that social issues affecting every community in Australia have received funding from **Community Bank**[®] companies.

- Aged care
- Youth disengagement
- Homelessness
- Domestic and family violence
- Mental health
- Unemployment
- Environment

I have no doubt that your **Community Bank**[®] company has already had a role to play, either in a funding grant, sponsorship support or connecting locals with relevant government, corporate and not-for-profit organisations.

Behind every **Community Bank**[®] branch is a company Board of Directors. These people are local mums and dads, tradespeople, small business operators, farmers, lawyers, accountants, school teachers, office workers... and the list goes on.

As **Community Bank**[®] Company Directors they volunteer their time, their professional expertise and their local knowledge to make your **Community Bank**[®] branch the success it is today.

To every single one of our 1,900-plus **Community Bank**[®] company Directors, thank you for your commitment, your confidence in Bendigo and Adelaide Bank and your vision to make your community a better place to live.

As a **Community Bank**[®] community, you're all change makers.

As a shareholder, you're critical to helping make things happen for the benefit of your community. On behalf of Bendigo Bank, thank you.

Thank you for your support as a shareholder, your belief in your community and your faith in what a **Community Bank**[®] community can achieve.



Robert Musgrove

Executive Community Engagement

Directors Report

Your directors submit the financial statements of the company for the financial year ended 30 June 2016.

Directors

The names and details of the company's directors who held office during or since the end of the financial year:

<p>Trevor Leslie Sargeant Chairman Occupation: Dentist Qualifications, experience and expertise: Holds a Bachelor of Dentistry Science from Sydney University. Special responsibilities: Governance / Audit Committee; Operations and Human Resources Committee; Business Development and Marketing Committee; Sponsorship Committee Interest in shares: 2,001</p>
<p>John Vaccaro Vice Chairman Occupation: Licensed Real Estate Agent Qualifications, experience and expertise: 35 years' experience in operating and selling real estate. Licensee in charge, training group leader and supervisor. Special responsibilities: Community Bank Strategic Advisory Board NSW/ACT, Chairman of the Business Development and Marketing Committee, Sponsorship Committee Interest in shares: 1,001</p>
<p>Ian John Greentree Secretary Occupation: Retired Qualifications, experience and expertise: Diploma Law Solicitor, Associate Diploma Accounting, Accountant, Company Secretary, Retired member Governance Institute of Australia. Special responsibilities: Governance/Audit Committee, Company Secretary Interest in shares: 1,501</p>
<p>David James Irvine Treasurer Occupation: Accountant Qualifications, experience and expertise: Holds a Bachelor of Financial Administration from University of New England, Chartered Accountant with 35 years' experience in financial management, business expertise and project management. Special responsibilities: Governance / Audit Committee; Business Development and Marketing Committee, Sponsorship Committee Interest in shares: 1</p>
<p>Martin Edwin Brook Director Occupation: Pharmacist Qualifications, experience and expertise: Holds a Bachelor of Pharmacy and has been a retail Pharmacist for 35 years. Proprietor of Brook's Pharmacy and Harbord Pharmacy at Freshwater for 25 years. Special responsibilities: Operations and Human Resources Committee; Business Development and Marketing Committee, Sponsorship Committee Interest in shares: 2,001</p>

<p>Noela Rose Roberts Director Occupation: Retired Qualifications, experience and expertise: Holds a Bachelor of Economics and worked as an accountant for 30 years. Special responsibilities: Sponsorship Committee and Youth Observer Mentor Interest in shares: 9,001</p>
<p>Denise Faith Goldstein Director Occupation: Director - Sales Manager Qualifications, experience and expertise: National Sales Director and National Sales and Marketing Manager in IT. Founded SESI Group. Is a long term resident of Freshwater for the past 20 years. Treasurer of Friends of Freshwater and involved in Diggers Development Community Consultation Group. Special responsibilities: Operations and Human Resources Committee, Business Development and Marketing Committee Interest in shares: 1</p>
<p>Peter Eric Harley Director Occupation: Retired Qualifications, experience and expertise: Former Director of WorkCover Authority of NSW, Executive Director of Test safe Australia (2004-08). Public Sector Manager for thirty years. President of Friends of Freshwater Inc. Bachelor of Commerce UNSW. Post Graduate Diploma of Relations and Law at University of Sydney. Special responsibilities: Operations, Health & Safety Committee, Business Development and Marketing Committee, Sponsorship Committee and Scholarship Coordinator Interest in shares: 501</p>
<p>Anthony Curtiss Bevan Director Occupation: Semi-Retired Qualifications, experience and expertise: 40 years banking experience as a Relationship Banker - Business Portfolio and Management, Consumer and Business Banking. Special responsibilities: Business Development and Marketing Committee, Sponsorship Committee Interest in shares: 1</p>

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.

Ian 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, Governance Institute of Australia and previously held the position of assistant Company Secretary of Advance Bank Australia Limited.

Principal Activities

The principal activities of the company during the financial year were 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 30 June 2016	Year ended 30 June 2015
\$	\$
62,909	65,130

Year ended 30 June 2016

Dividends

	Cents	\$
Dividends paid in the year	6.5	45,049

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.

Events since 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 number of directors' meetings attended by each of the directors of the company during the year were:

	Board Meetings Attended		Committee Meetings Attended							
			Audit		Operations & Human Resources		Business Development & Marketing		Sponsorship	
	A	B	A	B	A	B	A	B	A	B
Trevor Leslie Sargeant	13	9	3	3	5	4	11	9	11	9
John Vaccaro	13	10	-	1	-	4	11	10	11	10
Ian John Greentree	13	11	3	2	-	4	-	9	-	9
David James Irvine	13	9	3	3	-	5	11	8	11	8
Martin Edwin Brook	13	10	-	2	5	5	-	5	11	5
Noela Rose Roberts	13	11	-	2	-	5	-	8	11	8
Denise Faith Goldstein	13	11	-	2	5	4	11	6	-	6
Peter Eric Harley	13	10	-	2	-	4	11	8	11	8
Anthony Curtiss Bevan	13	10	-	1	-	3	11	7	11	7

A - Eligible to attend

B - Number attended

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party, for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 237 of the Corporations Act 2001.

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.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 6.

Signed in accordance with a resolution of the board of directors at Freshwater, New South Wales on 06 September 2016.

A handwritten signature in black ink, appearing to read 'T. Sargeant', with a large, stylized initial 'T'.

Trevor Leslie Sargeant, Chairman

Auditor's Independence declaration



Lead auditor's independence declaration under section 307C of the *Corporations Act 2001* to the directors of Harbord Financial Services Limited

As lead auditor for the audit of Harbord Financial Services Limited for the year ended 30 June 2016, I declare that, to the best of my knowledge and belief, there have been:

- i) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'Andrew Frewin Stewart'.

Andrew Frewin Stewart
61 Bull Street, Bendigo Vic 3550
Dated: 6 September 2016

A handwritten signature in black ink, appearing to read 'Graeme Stewart'.

Graeme Stewart
Lead Auditor

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

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Financial Statements

Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2016

	Notes	2016 \$	2015 \$
Revenue from ordinary activities	4	1,143,014	1,179,177
Employee benefits expense		(581,240)	(605,604)
Charitable donations, sponsorship, advertising and promotion		(160,179)	(166,820)
Occupancy and associated costs		(134,337)	(135,706)
Systems costs		(19,068)	(19,822)
Depreciation and amortisation expense	5	(35,139)	(31,974)
General administration expenses		<u>(124,104)</u>	<u>(123,376)</u>
Profit before income tax expense		88,947	95,875
Income tax expense	6	<u>(26,038)</u>	<u>(30,745)</u>
Profit after income tax expense		<u>62,909</u>	<u>65,130</u>
Total comprehensive income for the year		<u>62,909</u>	<u>65,130</u>
Earnings per share for profit attributable to the ordinary shareholders of the company:		¢	¢
Basic earnings per share	23	9.08	9.40

The accompanying notes form part of these financial statements

Balance Sheet
as at 30 June 2016

	Notes	2016 \$	2015 \$
ASSETS			
Current Assets			
Cash and cash equivalents	7	564,998	633,492
Trade and other receivables	8	138,187	101,415
Current tax asset	12	8,714	-
Total Current Assets		711,899	734,907
Non-Current Assets			
Property, plant and equipment	9	156,913	148,937
Financial assets	11	5,000	5,000
Intangible assets	11	11,554	23,107
Deferred tax asset	12	20,283	29,305
Total Non-Current Assets		193,750	206,349
Total Assets		905,649	941,256
LIABILITIES			
Current Liabilities			
Trade and other payables	13	43,724	53,169
Current tax liabilities	12	-	25,937
Provisions	14	73,655	64,861
Total Current Liabilities		117,379	143,967
Non-Current Liabilities			
Provisions	14	3,915	30,794
Total Non-Current Liabilities		3,915	30,794
Total Liabilities		121,294	174,761
Net Assets		784,355	766,495
Equity			
Issued capital	15	613,376	613,376
Retained earnings	16	170,979	153,119
Total Equity		784,355	766,495

The accompanying notes form part of these financial statements

**Statement of Changes in Equity
for the year ended 30 June 2016**

	Issued capital \$	Retained Earnings \$	Total equity \$
Balance at 1 July 2014	<u>613,376</u>	<u>126,107</u>	<u>739,483</u>
Total comprehensive income for the year	<u>-</u>	<u>65,130</u>	<u>65,130</u>
Transactions with owners in their capacity as owners:			
Shares issued during period	-	-	-
Costs of issuing shares	-	-	-
Dividends provided for or paid	<u>-</u>	<u>(38,118)</u>	<u>(38,118)</u>
Balance at 30 June 2015	<u>613,376</u>	<u>153,119</u>	<u>766,495</u>
Balance at 1 July 2015	<u>613,376</u>	<u>153,119</u>	<u>766,495</u>
Total comprehensive income for the year	<u>-</u>	<u>62,909</u>	<u>62,909</u>
Transactions with owners in their capacity as owners:			
Shares issued during period	-	-	-
Costs of issuing shares	-	-	-
Dividends provided for or paid	<u>-</u>	<u>(45,049)</u>	<u>(45,049)</u>
Balance at 30 June 2016	<u>613,376</u>	<u>170,979</u>	<u>784,355</u>

The accompanying notes form part of these financial statements

**Statement of Cash Flows
for the year ended 30 June 2016**

	Notes	2016 \$	2015 \$
Cash flows from operating activities			
Receipts from customers		1,201,833	1,249,294
Payments to suppliers and employees		(1,155,474)	(1,107,982)
Interest received		14,056	16,529
Interest paid		(631)	-
Income taxes paid		(51,667)	(20,327)
Net cash provided by operating activities	17	8,117	137,514
Cash flows from investing activities			
Payments for property, plant and equipment		(31,562)	(1,259)
Net cash used in investing activities		(31,562)	(1,259)
Cash flows from financing activities			
Dividends paid		(45,049)	(38,118)
Net cash used in financing activities		(45,049)	(38,118)
Net increase/(decrease) in cash held		(68,494)	98,137
Cash and cash equivalents at the beginning of the financial year		633,492	535,355
Cash and cash equivalents at the end of the financial year	7(a)	564,998	633,492

The accompanying notes form part of these financial statements

Notes to the Financial Statements for the year ended 30 June 2016

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 with changes in presentation for the current financial year.

Application of new and amended accounting standards

The following amendments to accounting standards issued by the Australian Accounting Standards Board (AASB) became mandatorily effective for accounting periods beginning on or after 1 July 2015, and are therefore relevant for the current financial year.

- AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality.
- AASB 2015-4 Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australian Groups with a Foreign Parent.

None of the amendments to accounting standards issued by the Australian Accounting Standards Board (AASB) that became mandatorily effective for accounting periods beginning on or after 1 July 2015, materially affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods.

The following accounting standards and interpretations issued by the Australian Accounting Standards Board (AASB) become effective in future accounting periods.

	Effective for annual reporting periods beginning on or after
<ul style="list-style-type: none"> • AASB 9 Financial Instruments, and the relevant amending standards. 	1 January 2018
<ul style="list-style-type: none"> • AASB 15 Revenue from Contracts with Customers and AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15. 	1 January 2018
<ul style="list-style-type: none"> • AASB 16 Leases 	1 January 2019
<ul style="list-style-type: none"> • AASB 2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations. 	1 January 2016
<ul style="list-style-type: none"> • AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation. 	1 January 2016
<ul style="list-style-type: none"> • AASB 2014-6 Amendments to Australian Accounting Standards – Agriculture: Bearer Plants 	1 January 2016
<ul style="list-style-type: none"> • AASB 2014-9 Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements. 	1 January 2016
<ul style="list-style-type: none"> • AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture. 	1 January 2018
<ul style="list-style-type: none"> • AASB 2015-1 Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle. 	1 January 2016
<ul style="list-style-type: none"> • AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101. 	1 January 2016
<ul style="list-style-type: none"> • AASB 2015-5 Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception. 	1 January 2016
<ul style="list-style-type: none"> • AASB 2016-1 Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses. 	1 January 2017
<ul style="list-style-type: none"> • AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107. 	1 January 2017

The company has not elected to apply any accounting standards or interpretations before their mandatory operative date for the annual reporting period beginning 1 July 2015. Therefore the abovementioned accounting standards or interpretations have no impact on amounts recognised in the current period or any prior period.

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.

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®** branch are effectively conducted between the customers and Bendigo and Adelaide Bank Limited.

All deposits are made with Bendigo and Adelaide Bank Limited, and all personal and investment products are products of Bendigo and Adelaide Bank Limited, with the company facilitating the

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

The company promotes and sells the products and services, but is not a party to the transaction.

The credit risk (i.e. the risk that a customer will not make repayments) is for the relevant Bendigo and Adelaide Bank Limited entity to bear as long as the company has complied with the appropriate procedures and relevant obligations and has not exercised a discretion in granting or extending credit.

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
- 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 benefits 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).

Revenue calculation

Over the period from September 2013 to February 2015, Bendigo and Adelaide Bank Limited conducted a review of the **Community Bank**[®] model, known as 'Project Horizon'. This was conducted in consultation with the community banking network. The objective of the review was to develop a shared vision of the **Community Bank**[®] model that positions it for success now and for the future.

The outcome of that review is that the fundamental franchise model and community participation remain unchanged. Changes to be implemented over a three year period reflect a number of themes, including a culture of innovation, agility and flexibility, network collaboration, director and staff development and a sustainable financial model. This will include changes to the financial return for **Community Bank®** companies from 1 July 2016. A funds transfer pricing model will be used for the method of calculation of the cost of funds, deposit return and margin. All revenue paid on core banking products will be through margin share. Margin on core banking products will be shared on a 50/50 basis.

The franchise agreement provides that three forms of revenue may be earned by the company – margin, commission and fee income. Bendigo and Adelaide Bank Limited decides the form of revenue the company earns on different types of products and services.

The revenue earned by the company is dependent on the business that it generates. It may also be affected by other factors, such as economic and local conditions, for example, interest rates.

Core banking products

Bendigo and Adelaide Bank Limited has identified some Bendigo Bank Group products and services as 'core banking products'. It may change the products and services which are identified as core banking products by giving the company at least 30 days' notice. Core banking products currently include Bendigo Bank branded home loans, term deposits and at call deposits.

Margin

Margin is arrived at through the following calculation:

Interest paid by customers on loans less interest paid to customers on deposits
plus any deposit returns i.e. interest return applied by Bendigo and Adelaide Bank Limited for a deposit,
minus any costs of funds i.e. interest applied by Bendigo and Adelaide Bank Limited to fund a loan.

Note: In very simplified terms, currently, deposit return means the interest Bendigo and Adelaide Bank Limited gets when it invests the money the customer deposits with it. The cost of funds means the interest Bendigo and Adelaide Bank Limited pays when it borrows the money to give a customer a loan. From 1 July 2016, both will mean the cost for Bendigo and Adelaide Bank Limited to borrow the money in the market.

Products and services on which margin is paid include variable rate deposits and variable rate home loans. From 1 July 2016, examples include Bendigo Bank branded at call deposits, term deposits and home loans.

For those products and services on which margin is paid, the company is entitled to a share of the margin earned by Bendigo and Adelaide Bank Limited (i.e. income adjusted for Bendigo and Adelaide Bank Limited's interest expense and interest income return). However, if this reflects a loss, the company incurs a share of that loss.

Commission

Commission is a fee paid for products and services sold. It may be paid on the initial sale or on an ongoing basis. Commission is payable on the sale of an insurance product such as home contents. Examples of products and services on which ongoing commissions are paid include leasing and

Sandhurst Trustees Limited products. This currently also includes Bendigo Bank branded fixed rate home loans and term deposits of more than 90 days, but these will become margin products from 1 July 2016.

Fee income

Fee income is a share of what is commonly referred to as 'bank fees and charges' charged to customers by Bendigo Bank Group entities including fees for loan applications and account transactions.

Ability to change financial return

Under the franchise agreement, Bendigo and Adelaide Bank Limited may change the form and amount of financial return that the company receives. The reasons it may make a change include changes in industry or economic conditions or changes in the way Bendigo and Adelaide Bank Limited earns revenue.

The change may be to the method of calculation of margin, the amount of margin, commission and fee income or a change of a margin to a commission or vice versa. This may affect the amount of revenue the Company receives on a particular product or service. The effect of the change on the revenue earned by the Company is entirely dependent on the change.

If Bendigo and Adelaide Bank Limited makes a change to the margin or commission on core banking products and services, it must not reduce the margin and commission the company receives on core banking products and services Bendigo and Adelaide Bank Limited attributes to the company to less than 50% (on an aggregate basis) of Bendigo and Adelaide Bank Limited's margin at that time. For other products and services, there is no restriction on the change Bendigo and Adelaide Bank Limited may make.

Bendigo and Adelaide Bank Limited must give the company 30 days' notice before it changes the products and services on which margin, commission or fee income is paid, the method of calculation of margin and the amount of margin, commission or fee income.

Monitoring and changing financial return

Bendigo and Adelaide Bank Limited monitors the distribution of financial return between **Community Bank®** companies and Bendigo and Adelaide Bank Limited on an ongoing basis.

Overall, Bendigo and Adelaide Bank Limited has made it clear that the **Community Bank®** model is based on the principle of shared reward for shared effort. In particular, in relation to core banking products and services, the aim is to achieve an equal share of Bendigo and Adelaide Bank Limited's margin.

As discussed above in relation to Project Horizon, among other things, there will be changes in the financial return for **Community Bank®** companies from 1 July 2016. This includes 50% share of margin on core banking products, all core banking products become margin products and a funds transfer pricing model will be used for the method of calculation of the cost of funds, deposit return and margin.

The Board is yet to appreciate the full impact of the above changes on our revenue moving forward. We would anticipate that by the time of this year's AGM we will be able to inform our shareholders of the likely outcomes of the new model.

The Board is continuing to work with Bendigo and Adelaide Bank Ltd to understand any potential changes to revenue and will provide further details as appropriate in due course.

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.

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 Profit or Loss and Other 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 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.

The renewal processing fee paid to Bendigo and Adelaide Bank Limited when renewing the franchise agreement has also 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.
- (ii) **Held-to-maturity investments**
Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.
- (iii) **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.

They are subsequently measured at fair value with changes in such fair value (i.e. gains or losses) recognised in the Statement of Profit or Loss and Other Comprehensive Income.

Available-for-sale financial assets are included in non-current assets except where they are expected to be sold within 12 months after the end of the reporting period. All other financial assets are classified as current assets.

(iv) Financial liabilities

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

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 Profit or Loss and Other 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 or 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.

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.

(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:

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 where the relevant rate of return is equal to the weighted average interest rate on 90 day bank bills over that 12 month period plus 5%.

The board is managing the growth of the business in line with this requirement. There are no other externally imposed capital requirements, although the nature of the company is such that amounts will be paid in the form of charitable donations and sponsorship. Charitable donations and sponsorship paid for the year ended 30 June 2016 can be seen in the Statement of Profit or Loss and Other 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. There is therefore 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 Profit or Loss and Other Comprehensive Income.

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.

Note 4.	Revenue from ordinary activities	2016	2015
		\$	\$
Operating activities:			
- services commissions		<u>1,127,018</u>	<u>1,162,711</u>
Total revenue from operating activities		<u>1,127,018</u>	<u>1,162,711</u>
Non-operating activities:			
- interest received		14,056	16,466
- sundry income		<u>1,940</u>	<u>-</u>
Total revenue from non-operating activities		<u>15,996</u>	<u>16,466</u>
Total revenues from ordinary activities		<u><u>1,143,014</u></u>	<u><u>1,179,177</u></u>

Note 5.	Expenses		
Depreciation of non-current assets:			
- plant and equipment		5,978	7,743
- motor vehicle		4,981	-
- leasehold improvements		12,626	12,677
Amortisation of non-current assets:			
- franchise fee		2,311	2,311
- franchise renewal fee		<u>9,243</u>	<u>9,243</u>
		<u>35,139</u>	<u>31,974</u>
Bad debts		<u>1,058</u>	<u>38</u>

Note 6.	Income tax expense		
The components of tax expense comprise:			
- Current tax		17,997	37,380
- Future income tax benefit attributable to losses			
- Movement in deferred tax		8,285	(8,177)
- Adjustment to deferred tax to reflect change to tax rate in future periods		737	1,542
- Under/over provision in respect to prior years		(981)	-
		<u>26,038</u>	<u>30,745</u>

The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax expense as follows

		2016 \$	2015 \$
Operating profit		88,947	95,875
Prima facie tax on profit from ordinary activities at 28.5%	(2015:30%)	25,350	28,762
Add tax effect of:			
- non-deductible expenses		-	441
- timing difference expenses		(7,353)	8,177
		<u>17,997</u>	<u>37,380</u>
Movement in deferred tax		8,285	(8,177)
Under/over provision in respect to prior years		(981)	
Adjustment to deferred tax to reflect change of tax rate in future periods		737	1,542
		<u>26,038</u>	<u>30,745</u>

Note 7.

Cash and cash equivalents

Cash at bank and on hand	114,998	83,492
Term deposits	450,000	550,000
	<u>564,998</u>	<u>633,492</u>

Note 7.(a)

Reconciliation to cash flow statement

The above figures reconcile to the amount of cash shown in the statement of cash flows at the end of the financial year as follows:

Cash at bank and on hand	114,998	83,492
Term deposits	450,000	550,000
	<u>564,998</u>	<u>633,492</u>

Note 8.

Trade and other receivables

Trade receivables	113,748	88,491
Prepayments	19,180	8,295
Other receivables and accruals	5,259	4,629
	<u>138,187</u>	<u>101,415</u>

Note 9.

Property, plant and equipment

Leasehold improvements		
At cost	317,937	317,937
Less accumulated depreciation	(204,469)	(191,843)
	<u>113,468</u>	<u>126,094</u>

	2016 \$	2015 \$
Plant and equipment		
At cost	114,850	114,850
Less accumulated depreciation	(97,985)	(92,007)
	<u>16,865</u>	<u>22,843</u>
Motor Vehicle		
At cost	31,561	-
Less accumulated depreciation	(4,981)	-
	<u>26,580</u>	<u>-</u>
Total written down amount	<u>156,913</u>	<u>148,937</u>

Movements in carrying amounts:

Leasehold improvements		
Carrying amount at beginning	126,094	138,771
Additions	-	-
Disposals	-	-
Less: depreciation expense	(12,626)	(12,677)
Carrying amount at end	<u>113,468</u>	<u>126,094</u>

Plant and equipment		
Carrying amount at beginning	22,843	29,327
Additions	-	1,259
Disposals	-	-
Less: depreciation expense	(5,978)	(7,743)
Carrying amount at end	<u>16,865</u>	<u>22,843</u>
Motor Vehicle		
Carrying amount at beginning	-	-
Additions	31,561	-
Disposals	-	-
Less: depreciation expense	(4,981)	-
Carrying amount at end	<u>26,580</u>	<u>-</u>
Total written down amount	<u>156,913</u>	<u>148,937</u>

Note 10.

Financial assets

Unlisted investments at cost		
Warringah Financial Services Limited	<u>5,000</u>	<u>5,000</u>

Note 11.

Intangible assets

Franchise fee		
At cost	111,554	111,554
Less: accumulated amortisation	(109,243)	(106,932)
	<u>2,311</u>	<u>4,622</u>
Renewal processing fee		
At cost	46,214	46,214
Less: accumulated amortisation	(36,971)	(27,729)
	<u>9,243</u>	<u>18,485</u>
Total written down amount	<u>11,554</u>	<u>23,107</u>

		2016 \$	2015 \$
Note 12.	Tax		
Current:			
Income tax payable/(refundable)		<u>(8,714)</u>	<u>25,937</u>
Non-Current:			
Deferred tax assets			
- accruals		1,073	1,012
- employee provisions		<u>21,332</u>	<u>29,612</u>
		<u>22,405</u>	<u>30,624</u>
Deferred tax liability			
- accruals		1,447	1,319
- Property, Plant & Equipment		<u>675</u>	<u>-</u>
		<u>2,122</u>	<u>1,319</u>
Net deferred tax asset		<u>20,283</u>	<u>29,305</u>
Movement in deferred tax charged to Statement of Profit or Loss and Other Comprehensive Income		<u>9,022</u>	<u>(6,634)</u>
Note 13.	Trade and other payables		
Current:			
Trade creditors		4,663	5,070
Other creditors and accruals		<u>39,061</u>	<u>48,099</u>
		<u>43,724</u>	<u>53,169</u>
Note 14.	Provisions		
Current:			
Provision for annual leave		21,568	32,033
Provision for long service leave		<u>52,087</u>	<u>32,828</u>
		<u>73,655</u>	<u>64,861</u>
Non-Current:			
Provision for long service leave		<u>3,915</u>	<u>30,794</u>
Note 15.	Contributed equity		
693,059 ordinary shares fully paid	(2015: 693,059)	693,059	693,059
Less: equity raising expenses		<u>(79,683)</u>	<u>(79,683)</u>
		<u>613,376</u>	<u>613,376</u>

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®** branch 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 2001.

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").
- 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").
- 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 405 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.

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.

Note 16.	Retained earnings	2016	2015
		\$	\$
Balance at the beginning of the financial year		153,119	126,107
Net profit from ordinary activities after income tax		62,909	65,130
Dividends paid or provided for		(45,049)	(38,118)
Balance at the end of the financial year		<u>170,979</u>	<u>153,119</u>

Note 17.	Statement of cash flows		
Reconciliation of profit from ordinary activities after tax to net cash provided by operating activities			
Profit from ordinary activities after income tax		62,909	65,130
Non-cash items:			
- depreciation		23,585	20,420
- amortisation		11,554	11,554
Changes in assets and liabilities:			
- (increase)/decrease in receivables		(36,772)	7,750
- (increase)/decrease in other assets		308	(6,634)
- increase/(decrease) in payables		(9,445)	11,649
- increase/(decrease) in provisions		(18,085)	10,593
- increase/(decrease) in current tax liabilities		(25,937)	17,052
Net cash flows provided by operating activities		<u>8,117</u>	<u>137,514</u>

Note 18.	Leases	2016 \$	2015 \$
Operating lease commitments			
Non-cancellable operating leases contracted for but not capitalised in the financial statements			
Payable - minimum lease payments:			
- not later than 12 months		97,229	102,979
- between 12 months and 5 years		-	94,398
- greater than 5 years		-	-
		<u>97,229</u>	<u>197,377</u>

The lease on the branch is a non-cancellable lease with a five-year term, with rent payable monthly in advance. The lease 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.

Note 19. Auditor's remuneration

Amounts received or due and receivable by the auditor of the company for:

- audit and review services	5,250	5,050
- share registry services	5,330	400
- other non audit services	3,563	3,835
	<u>14,143</u>	<u>9,285</u>

Note 20. Director and related party disclosures

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

Trevor Leslie Sargeant

John Vaccaro

Ian John Greentree

David James Irvine

Martin Edwin Brook

Noela Rose Roberts

Denise Faith Goldstein

Peter Eric Harley

Anthony Curtiss Bevan

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.

Directors Shareholdings	2016	2015
Trevor Leslie Sargeant	2,001	2,001
John Vaccaro	1,001	1,001
Ian John Greentree	1,501	1,501
David James Irvine	1	1
Martin Edwin Brook	2,001	2,001
Noela Rose Roberts	9,001	9,001
Denise Faith Goldstein	1	1
Peter Eric Harley	501	501
Anthony Curtiss Bevan	1	1

There was no movement in directors' shareholdings during the year.

Note 21. Dividends paid or provided	2016	2015
	\$	\$
a. Dividends paid during the year		
Current year dividend		
100% (2015: 100%) franked dividend - 6.5 cents		
(2015: 5.5 cents) per share	45,049	38,118

The tax rate at which dividends have been franked is 30% (2015: 30%).

b. Franking account balance

Franking credits available for subsequent reporting periods are:

- franking account balance as at the end of the financial year	93,688	65,167
- franking credits/(debits) that will arise from payment/(refund) of income tax as at the end of the financial year	(8,740)	25,937
- franking debits that will arise from the payment of dividends recognised as a liability at the end of the financial year	-	-
Franking credits available for future financial reporting periods	84,948	91,104
- 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	84,948	91,104

Note 22. Key Management Personnel Disclosures

No director of the company receives remuneration for services as a company director or committee member.

There are no executives within the company whose remuneration is required to be disclosed.

Note 23.	Earnings per share	2016	2015
		\$	\$
(a)	Profit attributable to the ordinary equity holders of the company used in calculating earnings per share	62,909	65,130
		Number	Number
(b)	Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	693,059	693,059

Note 24. Events occurring after the reporting date

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

Note 25. Contingent liabilities and contingent assets

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

Note 26. Segment reporting

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

Note 27. 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	Principal Place of Business
20 Albert Street	20 Albert Street
Freshwater NSW 2096	Freshwater NSW 2096

Note 28. Financial instruments

Financial Instrument Composition and Maturity Analysis

The table below reflects the undiscounted contractual settlement terms for all financial instruments, as well as the settlement period for instruments with a fixed period of maturity and interest rate.

Financial instrument	Floating interest		Fixed interest rate maturing in						Non-interest bearing		Weighted average	
			1 year or less		Over 1 to 5 years		Over 5 years					
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	%	%
Financial assets												
Cash and cash equivalents	114,998	83,145	450,000	550,000	-	-	-	-	-	347	2.54	2.79
Receivables	-	-	-	-	-	-	-	-	113,748	88,491	N/A	N/A
Financial liabilities												
Payables	-	-	-	-	-	-	-	-	4,663	5,070	N/A	N/A

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

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from the interest bearing financial assets and liabilities in place subject to variable interest rates, as outlined above.

Sensitivity Analysis

The company has performed sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in interest rates.

As at 30 June 2016, the effect on profit and equity as a result of changes in interest rate, with all other variables remaining constant would be as follows:

	2016	2015
	\$	\$
Change in profit/(loss)		
Increase in interest rate by 1%	5,650	6,331
Decrease in interest rate by 1%	5,650	6,331
Change in equity		
Increase in interest rate by 1%	5,650	6,331
Decrease in interest rate by 1%	5,650	6,331

Directors' declaration

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 2016 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.

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



Trevor Leslie Sargeant, Chairman

Signed on the 06 September 2016.

Independent Auditor's report



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 2016, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows 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 that gives a true and fair view 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 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 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 fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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.

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61-65 Bull St./PO Box 454 Bendigo Vic. 3552

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www.afsbendigo.com.au

TAXATION • AUDIT • BUSINESS SERVICES • FINANCIAL PLANNING

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.

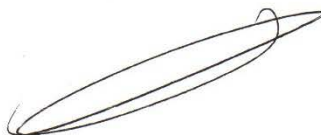
Auditor's opinion on the financial report

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 2016 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.



Andrew Frewin Stewart
61 Bull Street, Bendigo Vic 3550
Dated: 6 September 2016



Graeme Stewart
Lead Auditor

Shareholder information

Harbord Financial Services Limited is a public company incorporated in Australia and from 1 July 2015 operates a Special market called Low Volume Market (LVM) to facilitate the trading of its shares.

Shareholding

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

Number of shares held	Number of shareholders	Number of shares held
1 to 1,000	266	185,457
1,001 to 5,000	127	417,601
5,001 to 10,000	8	64,232
10,001 to 100,000	2	25,769
101,000 and over	-	-
Total shareholders	403	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 8 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.

Largest shareholders

The following table shows the largest shareholders.

Shareholder	Number of fully paid shares held	Percentage of issued capital
MR RICHARD GRANVILLE WRAY	13,769	1.99
GREGORY ANDREW MARAUN <ESTATE PETER NOEL MARAUN A/C>	12,000	1.73
BRETROE PTY LTD <JOHN THORPE & PATRICIA KING SUPERANNUATION FUND A/C>	10,000	1.44
NORTHERN SUBURBS SECRETARIAL SERVICES PTY LTD <JULETON A/C>	9,500	1.37
AMY JO HOBAN & PETER MATTHEW JOHNS	9,000	1.30
MRS NOELA ROSE ROBERTS	8,001	1.15
STAAS PRINTING PTY LTD	8,000	1.15
WINPAR HOLDINGS LIMITED	7,500	1.08
SANTOSHA SUPERANNUATION FUND PTY LTD <SANTOSHA SUPER FUND A/C>	6,231	.90
MR PHILLIP ROHAN MARSH	6,000	.87

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 Pty Ltd 61-65 Bull Street BENDIGO VIC 3550 Phone: (03) 5443 0344

Postal address: PO BOX 454 BENDIGO VIC 3552

Company Secretary

Ian Greentree has been the Company Secretary of Harbord Financial Services Limited for 10 years.

Ian's qualifications and experience include:

- Diploma in Law admitted as a Solicitor to the Supreme Court of NSW
- Associate Diploma in Accounting
- Retired member of the Institute of Public Accountants
- Retired member of the Governance Institute of Australia

Corporate Governance

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

- (a) The establishment of an audit committee. Members of the audit committee are Trevor Sargeant; Ian Greentree; David Irvine
- (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.

5 Year summary of performance

		2012	2013	2014	2015	2016
Gross revenue	\$	1,482,724	1,371,747	1,237,561	1,179,177	1,143,014
Net profit before tax	\$	101,116	55,013	66,241	95,875	88,947
Total assets	\$	818,117	838,686	874,950	941,256	905,649
Total liabilities	\$	70,800	114,384	135,467	174,761	121,294
Total equity	\$	747,317	724,302	739,483	766,495	784,355

Shareholder Dividend History

YEAR	Cents per share	Total Distribution
2004 / 2005	2.25 cents	\$15,593.83
2005 / 2006	3.50 cents	\$24,257.06
2006 / 2007	10.0 cents	\$69,305.90
2007 / 2008	10.0 cents	\$69,305.90
2008 / 2009	8.0 cents	\$55,444.72
2009 / 2010	10.0 cents	\$69,305.90
2010 / 2011	10.0 cents	\$69,305.90
2011 / 2012	10.0 cents	\$69,305.90
2012 / 2013	4.50 cents	\$31,187.71
2013 / 2014	5.50 cents	\$38,118.30
2014 / 2015	6.50 cents	\$45,048.89
Total	80.25 cents	\$556,180.01

Director History

Steering Committee

Bernard O'Connor
Robert Adams
Brian Dunphy
Greg Hazlett
Jeremy Hodges
Ian Joynson
Roger Leys
Peter Lowther
Bryce Rea
Deidre McAliden
Peter Kemp
Stephen Armstrong
David McCauley

Chairman

Public Relations
Solicitor
Accountant
Bendigo Bank

Inaugural Directors

Domenic Gerace
Dr Trevor Sargeant
Brian Dunphy
Martin Brook
Ian Joynson
Howard Lipman
Phillip Murray
Dr Howard Wong-See (Dec'd)

Chairman
Vice Chairman
Company Secretary

Past Directors

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
Kevin Abrahamson

now Ambassador

Sponsorship 2015/2016

DONATIONS

NAME OF RECIPIENT	DESCRIPTION	AMOUNT
Cancer Council Daffodil Day	Daffodil Day merchandise sales donation	\$4
Royal Flying Doctors / Team CX	Team CX fundraising donation	\$500
Sailability	New defibrillator	\$500
Stewart House	Keyring torch fundraising donation	\$63
Sanfilippo Foundation	Purchase of Art union tickets	\$50
40K Global Foundation	To assist with costs of tablets, rent & facilitator wages for after-school learning program in villages in India	\$100
Jessica Wright - Beyond Blue Foundation	Beyond Blue event in October 2015 to be held at Manly Skiff Club	\$200
Ben Sawyer - wake	Ben Sawyer wake food platter purchase	\$48
	TOTAL	\$1,465

SCHOLARSHIP GRANTS

NAME OF RECIPIENT	DESCRIPTION	AMOUNT
Nina Newcombe	FCB Tertiary Scholarship 2013 + Ken Ward Memorial Scholarship	\$5,000
- Mackellar Girls Campus *		
Ryan Maguire	FCB Tertiary Scholarship 2014	\$2,500
- St Augustine's College		
Liam Yeates	FCB Tertiary Scholarship 2014 + Ken Ward Memorial Scholarship	\$5,000
- St Luke's Grammar School		
Julian Harris	FCB Tertiary Scholarship 2015 + Ken Ward Memorial Scholarship	\$5,000
- St Luke's Grammar School		
Rachel Holland	FCB Tertiary Scholarship 2015 + All Rounder	\$2,500
- Manly Selective Campus*		
Taylor Mills	FCB Tertiary Scholarship 2015	\$500
- Stella Maris College		
Jack Sloman	FCB Tertiary Scholarship 2015	\$500
- St Pauls Catholic College		
Konstantin Dunn	FCB Tertiary Scholarship 2015	\$500
- Freshwater Senior Campus*		
Emily Collett	FCB Tertiary Scholarship 2015	\$500
- Mackellar Girls Campus*		
Matthew Schofield	FCB Tertiary Scholarship 2015	\$1,000
- St Augustine's College		
Alanah Tassone	FCB Tertiary Scholarship 2015	\$500
- Cromer Campus*		
Anna Ritchie	FCB Tertiary Scholarship 2016 + Ken Ward Memorial Scholarship	\$2,500
- St Luke's Grammar School		
Isaac Arnold	FCB Tertiary Scholarship 2016 + All rounder	\$2,500
- Manly Selective Campus*		
Jessica Chignell	FCB Tertiary Scholarship 2016 + All Rounder	\$2,500
- Freshwater Senior Campus*		
James Bourcier	FCB tertiary Scholarship 2016	\$500
- St Pauls Catholic College		
Nicholas Chivers	FCB Tertiary Scholarship 2016	\$500
- St Augustine's College		
Matilda Gould	FCB Tertiary Scholarship 2016	\$500

- Stella Maris College Bronte Munro	FCB Tertiary Scholarship 2016	\$500
- Mackellar Girls Campus* Huon Williams	FCB Tertiary Scholarship 2016	\$500
- Balgowlah Boys Campus*		
TOTAL		\$33,500

Balgowlah Boys; Cromer; Freshwater Senior; Mackellar Girls and Manly Selective Campuses are all part of the Northern Beaches Secondary College

SPONSORSHIP

NAME OF RECIPIENT	DESCRIPTION	AMOUNT
Curl Curl Youth FC - Team sponsorship	Assist with the purchase of shirts & shorts for 2016	\$2,000
Freshie Tri Club - Corp Triathlons	Corporate Triathlon - wearing branded singlets - team entry fees assistance	\$393
Freshwater Amateur Swimming Club	Assist with purchase of PA system and perpetual trophies	\$735
Freshwater Community Carols	Assist with expenses of 2015 Christmas carols and printing costs	\$1,940
Harbord Bowling & Recreational Club	Interclub challenge between local sporting groups	\$1,200
Harbord Frigid Frogs Winter Swim Club	Season sponsorship	\$1,500
Harbord Harlequins Rugby Club	Application for Harlequin Gift - Gala Day (August 2015)	\$2,000
Harbord Kindergarten Inc.	Assist with Annual fundraising event costs - Fiesta Night in July 2015	\$500
Harbord Women's Bowling Club	Carnival Day sponsor - prize money - 8/2/2016	\$500
Manly & Mosman Parkinson's Support Group	Christmas lunch 2015	\$350
Manly Bombers Junior ALF Club	2016 season sponsorship to assist with expense of jerseys shorts & socks for new U/14 girls team	\$1,600
Manly Croquet Club Inc.	2015 Seabreeze Tournament sponsorship	\$500
Manly Seaside Baseball Club	Season sponsorship 2015-2016 to assist with purchase of team shirts and banner	\$800
Manly Warringah AFL - The GIANTS (ex. Wolves)	Season sponsorship 2015-2016	\$1,300
Manly Warringah Avicultural Society	58th Annual Bird show (April 2016)	\$300
Manly Warringah Football Association	2016 Seasonal sponsorship	\$15,000
Manly Warringah Netball Association	Assist with purchase of computers & printers; cash register & safe	\$8,300
Manly Warringah Sapphires Premier League Netball Inc.	Major sponsor of new Premier League team	\$15,000

Manly Warringah Sea Eagles Limited	Sponsorship of Junior Mini League games played @ half time each home game at Brookvale oval	\$20,000
Manly Warringah Sea Eagles Limited - Junior Development	2016 Season sponsorship of the Manly Junior Development program training shirts & game uniforms	\$9,091
Manly Women's Shelter	Golf Day fundraiser Friday 2/10/2015	\$650
North Curl Curl Knights JRLFC	Assist with purchase of team jerseys	\$1,000
Northern Sydney Symphonic Wind Ensemble Inc.	2015 NSSWE Performance recording project	\$1,500
Rotary Club Brookvale	Pub2Pub Fun Run 2015 - School's Challenge 16/8/2015 - \$5000/ year for 3 years	\$2,000
Sailability	Assist with purchase of new life jackets	\$500
Valley United JRLFC	Assist with club running costs	\$2,000
Valley United JRLFC New account vouchers	New a/c vouchers for 8 home games and Valley M Player of the Year voucher	\$704
Warringah Council / Warringah Art Exhibition - Prize Money	Prizes for Warringah Art Prize 2015 are in the form of New Account Vouchers	\$1,250
Warringah Cricket Club	Sponsorship to assist with junior coaching & development programs & new pitch covers for Weldon oval	\$500
TOTAL		\$93,113

COMMUNITY ENTERPRISE FOUNDATION (CEF)

CEF ACCOUNT TRANSACTIONS

Donation made to CEF account	\$0
Payments made from CEF account	\$11,603

NAME OF RECIPIENT

Northside Enterprises Inc.	Assist with cost of wages for 4 staff with disabilities @5 hrs/day = \$360 x 24 site visits	\$5,000
Freshwater SLSC	1 x Ambu Manikin; SLS 1st Aid kit; Defibrillator; 2 x soft surf rescue boards; rescue tube, patrol uniforms, pants tops & hats	\$6,603
Total payments made for 15/16 FY		\$11,603
TOTAL INCLUDING CEF PAYMENTS		\$139,681

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

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Freshwater **Community Bank®** Branch
 20 Albert Street Freshwater NSW 2096
 PH 02 9939 6744 | Fax 02 9939 6844



Harbord Financial Services Limited

Franchisee: Harbord Financial Services Limited
Registered office & 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