

Annual Report 2018

Heidelberg District Community Enterprise Limited

Heidelberg and East Ivanhoe
Community Bank® branches

ABN 62 095 312 744



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Chairman's report

Year ending 30th June 2018

This is the eighteenth Annual Report of Heidelberg District Community Enterprise Ltd and my sixth as Chairman.

After 18 years of operation, we have again faced a very tough year with low interest rates, narrow margins and a changing regulatory environment facing all banks. Even in this environment, both branches have continued to grow in the extremely competitive environment that now exists. I am therefore very proud to present the following highlights for the 2018 financial year:

- \$645,931 in gross profit (before community grants and tax) compared to \$455,672 in 2017
- \$137,903 in dividends paid compared to \$114,919 in 2017
- \$226,867 in grants and sponsorship compared to \$206,082 in 2017.

While every year we have discussed tougher conditions ahead, this seems to be the “new norm”; however, the board believes our strategy (focussing on our community) continues to be the right one for our company and our future, reinforced by our continued growth.

Our Vision

Our vision is to be a key element in the success of our community's development, sustainability and prosperity. We will provide a premium level of service and community involvement which attracts and retains customers in the East Ivanhoe and Heidelberg **Community Bank**® branches.

Our Mission

Our mission is

- to grow a sound and profitable banking facility for the Heidelberg district and surrounding communities,
- to provide value for our shareholders, staff, customers and the community, and
- to support community programs and groups in providing key benefits to their communities.

Current Position

Although the tough conditions continue, the company has managed to gain an increase in profit.

The financials may not look as healthy, at a glance, as last year, but with clarification, you will see we stand proud and confident with the result.

To unpack the financials and give a clearer indication of the solid year we have experienced, we need to acknowledge the unique business that HDCE and the other 240 companies behind the 321 community branches of Bendigo Bank around Australia, are.

Arguably the largest social enterprise in the world, the **Community Bank**® constitution states that no more than 20% of our net profit can be returned to shareholders. The remaining 80% is then available for injecting into our community via our extensive annual grants program and our biannual sponsorship program.

The actual financial commitment we make available to the community grants program is a decision made by the board in May. This decision allocates an amount into the Community Enterprise Foundation, a grant management foundation with rigorous governance protocols, further ensuring our monies are allocated effectively, transparently and appropriately. This year we committed a generous \$205k to the CEF for granting back into our community.

The impact of this decision is reflected in the financials and, at first glance, the year seems far from stellar. To clarify our position, when we add back the \$205k, a pre-CEF profit of \$645,931 was realised.

We continue to see growth in customer numbers at both **Community Bank**® branches, with an increase in gross revenue from \$2.342million to \$2.495million, a rise of \$152,586.

Bendigo & Adelaide Bank continues to provide great banking products and services and gives excellent support to our enterprise as respected partners in our **Community Bank**® business. The focus will remain on growing our business and improving the number of products per customer to increase the amount of business they have with us.

Chairman's report (*continued*)

Management and Staff

We have recently changed our management structure to better suit our operating environment. Greg Arnott joins Justin Bice as a Relationship Manager (increasing our focus on customer interaction), while Jo-Ann Downey continues to manage Heidelberg branch (currently on long service leave with Julie Bullen acting in her role) and Pooja Nayyar manages the East Ivanhoe branch. I would like to recognise the huge contribution these managers and their staff have made to our company over the year. The board acknowledges and appreciates the dedication and enthusiasm of our highly experienced staff and their strong commitment to our company's vision and values. They are a critical part of our company's success and continue to present and uphold the vision of the company and provide excellent service to our customers and to the community.

Community Contributions

During this 12 month period to June 2018, the East Ivanhoe and Heidelberg branches have supported the community with \$226,867.

The breakdown of this figure is:-

- \$141,250 toward sponsorships
- \$85,617 towards grants to different local not-for-profit organisations

Please see the table at the end of this report for a detailed list of recipients.

Through our sponsorship and grants program we are building a healthier business as the return on this investment into our community is realised. By supporting our community our company can grow, further benefitting the community.

Shareholders

Your support is essential to our success. Your commitment to our company has been extremely beneficial to the community in which we live. We encourage you to help us spread the word and to encourage others to:

Support the Bank that Supports your Community.

After a strong year, the board has decided to announce a dividend of 7¢ per share, fully franked and payable to all shareholders in late October 2018. This will be our sixteenth successive dividend allocation and hopefully reminds our shareholders of the solid investment they made in supporting their local community. As a result of our continued growth we believe the company is in a good position to continue with increased dividends over the coming years. This is in line with our adopted dividend policy to ensure growth for our shareholders.

Just as shareholders have benefited from the success of our company, our total community return, including dividends, is over \$4.14 million since 2001. This is capital that has stayed in OUR community because of your generous support for our **Community Bank®** branches.

The board of directors join me in encouraging those shareholders who are not yet banking with the East Ivanhoe or Heidelberg **Community Bank®** branches of Bendigo and Adelaide Bank that you consider doing so. I would like to take this opportunity to ask shareholders to consider making an appointment with one of our Relationship Managers or Branch Managers who will be only too happy to discuss the broad range of banking products we have available. Products including loans, insurance and financial planning, all at very competitive rates.

Chairman's report (*continued*)

Board of Directors

As Chairman of HDCE, I continue to be supported by diligent, conscientious and community minded fellow directors. Our Community Liaison Officer, Carly Kluge and Bookkeeper, Pam Tremlett have been an integral part of our board's operation and our company's success for many years.

We have had a number of changes to the board this year, including the appointment of two associate directors, Tara O'Brien and Natasha Ritchie. These young women are students at near-by Latrobe University and have come on board as part of our young directors program to provide a better understanding of the needs of their generation and help them to understand the workings of a public company.

Lyndy Stagg has moved to country Victoria and decided to retire from the board. Lyndy has been a long serving member of our board and a great ambassador of our community. She has led our Grants and Sponsorship Sub-committee and served the board with distinction over many years. We wish Lyndy all the best in retirement and thank her for her commitment to our company.

From time to time vacancies arise on the board. Any shareholders who may be interested in being a director on this very dynamic board may contact myself or director Jason Dwyer.

All board members share positions on one or more of the following committees:

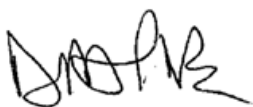
- Human Resources
- Audit and Governance
- Marketing and Business Development
- Property

We continue to offer professional development for our directors via training seminars and workshops including the National and the State **Community Bank**® Conferences held around Australia. Chairs from other Melbourne based community boards also meet regularly to discuss issues and approaches to community engagement.

Nan Caple, who holds the position of Deputy Chair continues to give great support to our company and is a major driver of Youth Foundation, our major community initiative. Nan also serves on the **Community Bank**® National Council. I would like to personally thank Nan for her continued commitment to the **Community Bank**® model.

I would also like to take this opportunity to thank all board members, past and present for their support. Our board members contribute generously of their time and of their expertise. Directors on the board of Heidelberg District Community Enterprise Ltd., embrace the philosophy of Community Banking and work cooperatively towards achieving our goals. You can be assured that shareholder interests and value are at the forefront of board deliberations and decisions on matters affecting the company.

I look forward to our Annual General Meeting on 13 November 2018 and hope as many shareholders as possible can attend to learn about the excellent work being carried out on their behalf, within our community.



David Mayne
Chairman

Managers' report

Year ending 30th June 2018

Heidelberg and East Ivanhoe **Community Bank**[®] branches – Be the Change

We have had another great year, highlighted by the following:

- \$ 226,867 given in community contributions to local community groups during this year
- Our combined book now exceeding \$386 million in banking business –a substantial growth of \$29 million in the last 12 months
- Over \$2.8 million in community contributions now given since opening the doors back in 2001.

This year we have welcomed two new staff members to our team, Pooja Nayyar and Liam Trinh. They have both settled in well and have contributed to the growth of our business.

The strength of our **Community Bank**[®] branches is built on the back of our community and in partnership with the people of East Ivanhoe, Heidelberg and surrounding suburbs.

Our results would not have been achieved without the following, who we would like to thank:

- Our directors who have provided support to our team and continue to commit their time and efforts into impacting our community
- Our staff at both branches who continue to provide the highest level of service to our customers and community groups
- Our shareholders who backed the **Community Bank**[®] concept
- Our partner Bendigo and Adelaide Bank who continue to support us as we seek to grow our business.

The continued success of our business is dependent on the support of our community and we encourage:

- Our shareholders to make the East Ivanhoe and Heidelberg **Community Bank**[®] your bank of first choice.
- Our community groups and their members to make the East Ivanhoe and Heidelberg **Community Bank**[®] your bank of first choice.
- Our existing customers and shareholders to spread the word about our 2 branches.

The more support we receive the greater the support we are able to return to our local community.



Greg Arnott
Relationship Manager
East Ivanhoe



Justin Bice
Relationship Manager
Heidelberg



Julie Bullen
Acting Branch Manager
Heidelberg



Pooja Nayyar
Customer Relationship
Manager
East Ivanhoe



1. This year we farewelled long-term director Lyndy Stagg from the Board. Lyndy is pictured here with fellow directors David Mayne, Nan Caple, Brian Simpson and John Nelson.
2. We were thrilled to support the Olivia Newton John Wellness Walk with sponsorship and a team of participants. Olivia is pictured here with director David Mayne and team members Jo-Ann and Samantha.
3. Allstars who always add so much colour to our walk in the Banyule Parade.
4. We proudly supported the Waterdale Player's production of "The Hatpin".

5. We are proud to sponsor local junior sport including football, soccer, netball, basketball and tennis. These two U9 tackers from Parkside Junior Football Club and Macleod Junior Football Club compared jumpers to find they were sponsored by the same sponsor.
6. We have long supported the Lower Plenty Dance Group who catch up every Tuesday night for their weekly dance, getting some exercise and an opportunity to meet up with their friends in a fun and social environment.
7. With the assistance of a grant from the Community Bank®, The Somali Australia Council sent a team of 30 young men to Somalia for the 2017 Goodwill tour, an initiative which helps them better understand their heritage, play some local soccer and engage in community work.

Community Engagements



8. We enjoy a wonderful partnership with the Ivanhoe Photographic Society and Pam was thrilled to visit the group at their AGM and present IPS President Lisa Law with a cheque for a photography workshop series to be hosted by the group.
9. The Heidelberg Occasional Child Care Centre received a grant for the purchase of new resources for their centre, including books, educational toys and furniture.
10. The Board & Staff of Heidelberg District Community Enterprise at the 2018 Strategic Planning session.
11. Relationship Manager Justin Bice presents a cheque to the girls at OLMC Heidelberg for their Bell Bardia Meal project which provides a midweek meal for those in need in West Heidelberg.
12. Our support of Araluen continued this year providing them with a grant to fit out their Possum Hollow Café in Heidelberg. The café is the third site for Araluen where their clients can put into practice their barista, cooking and customer service skills.
13. Director Nan Caple presents Jordan and Paul from Open House with a cheque for their Backyard Sports program, which is run every Thursday at Malahang Reserve.
14. Brother Harry Prout from the Olympic Village Exodus Community was pleased to show off his new backyard totem pole in their recently refurbished backyard, men's shed and social space.
15. Team member Susan pictured in the Heidelberg branch with the Spring campaign tree.

Bendigo and Adelaide Bank report

Year ending 30th June 2018

It's been 20 years since the doors to the first **Community Bank®** branch opened. And it has only been a few months since the latest, the 321st, **Community Bank®** branch opened its doors.

In the last 20 years, much has changed. A staggering 92 per cent of our customers do their banking online and we pay for goods and services on a range of mobile phones, our watches and even our fitness devices. Many are embracing this online world with a sense of excitement and confidence. Our model will be even more accessible to people right across Australia.

Despite the change many things have also remained constant through the last two decades. Commitment within communities remains as strong today as it has ever been; from our first **Community Bank®** branch to the most recent one, and the 319 in between.

This year, five of our **Community Bank®** branches are celebrating 20 years in business. Bendigo Bank has celebrated 160 years in business. We farewelled Managing Director Mike Hirst and welcomed into the MD role long-time Bendigo employee Marnie Baker.

Our **Be the change** online marketing campaign has been the most successful online marketing campaign ever run by our organisation. The premise behind **Be the change** is simple – it thanks individual customers for banking with their **Community Bank®** branch.

But it's not the Bank thanking the customers. It's not the staff, volunteer directors or shareholders thanking the customers. It's the kids from the local little athletics and netball clubs, it's the man whose life was saved by a **Community Bank®** funded defib unit, it's members of the local community choir and the animal rescue shelter. These people whose clubs and organisations have received a share of over \$200 million in **Community Bank®** contributions, all because of people banking with their local **Community Bank®** branch.

Be the change has further highlighted the power of the model. For others, customers are important. For our **Community Bank®** network, customer support ensures our point of difference. It's the reason we can share in the revenue generated by their banking business. Without this point of difference, we would be just another bank.

But we're not, we're Bendigo Bank and we're Australia's only '**Community Bank®**', recently named by Roy Morgan Research as Australia's third most trusted brand and most trusted bank. As one of 70,000-plus **Community Bank®** company shareholders across Australia, these are outcomes we hope you too are proud of.

I'd like to thank you for your decision to support your local **Community Bank®** company as a shareholder. Your support has been vitally important to enhancing the prospects and outcomes within your community.

Without you, there would be no **Community Bank®** branch network in Australia.

We value your initial contribution and your ongoing support of your **Community Bank®** branch and your community. Thank you for continuing to play a role in helping your community **Be the change**.



Robert Musgrove
Bendigo and Adelaide Bank

Directors' report

Year ending 30th June 2018

Your directors submit the financial statements of the company for the financial year ended 30 June 2018.

Directors

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

David John Mayne

Chairman and Independent Non-executive Director

Retired

David worked in the communication industry for over 35 years, holding positions in engineering, sales and marketing and commercial management. He has also worked in the mining industry. David has extensive experience at the executive management level with a major communication company and worked part time in infrastructure project management.

David is married with two children and has lived in the area for over 30 years.

Committee member: Marketing and Business Development, Property (Chair)

Interest in shares: 32,000

Nancy Louise Caple

Co-Chair and Independent Non-executive Director

Self employed

Nancy established and operated So Swish (retail business) from 1989 - 2016. She was instrumental in establishing the East Ivanhoe community branch in 2000. She holds a Bachelor of Education and taught in Secondary Physical Education - Outdoor Education prior to 1989. She currently holds an elected position on the **Community Bank®** National Council, representing Victorian Metro branches. She is also the Company Secretary for the family management consulting business and Chair of the Sycamore Tree Uniting Church Coffee Shop management committee.

Committee member: Marketing and Business Development, Human Resources.

Interest in shares: 22,077

Russell James Hutchins

Company Secretary and Independent Non-executive Director

IT Consultant

Russell has over 30 years experience in banking and information technology and has worked in a variety of technical and commercial roles. He holds degrees in Science and Business. He is committed to ensuring that the company operates as a well managed, ethical, high functioning and profitable business to enable it to continue supporting local community initiatives and organisations to the fullest extent possible.

Committee member: Audit and Governance.

Interest in shares: 13,000

Brian Thomas Simpson

Independent Non-executive Director

Retired Bank Executive

Brian has had a highly successful career in the banking sector spanning four decades. He has a particular interest in sporting organisations and lives locally in Eaglemont.

Committee member: Human Resources (Chair), Audit and Governance

Interest in shares: 10,000

John Kenneth Nelson

Independent Non-executive Director

Retired Accountant

John served on the board from 2007 to 2012, and after a break returned in December 2015. John is a qualified Chartered Accountant, and has over 35 years experience in industry as an accountant. He retired from full-time work 10 years ago. He has extensive corporate secretariat knowledge including previously performing the role of Company Secretary for an ASX listed company. John has lived in the local area all of his life.

Committee member: Human Resources.

Interest in shares: 1,533

Directors' report (*continued*)

Directors (*continued*)

Jason Gerard Dwyer

Independent Non-executive Director

Senior Management

Jason has worked for Bendigo Bank across many roles in business finance in key leadership roles across debtor finance, customer experience, equipment finance. He is currently the Senior Manager SME & Micro Business, responsible for the bank's strategy for small business. He has held executive IT leadership roles, and is a CPA qualified accountant with 10 years in public practice and a strong background in information systems. Jason holds Bachelor degrees in Arts and Commerce from La Trobe University, and a Graduate Diploma in Information Systems. He has lived in Heidelberg for 15 years.

Committee member: Audit and Governance (Chair), Marketing and Business Development

Interest in shares: 5000

Peter Richard Drapac

Independent Non-executive Director

Director/Owner of The National Business Institute of Australia

Peter has lived in the Heidelberg/Ivanhoe area most of his life, started his career as a teacher and has gone on to own and run several businesses in health, retail, manufacturing, financial services and currently education. Peter holds a Bachelor of Applied Science, Diploma of Auditing, Diploma of Education, and Bachelor of Business (Finance).

Committee member: Property

Interest in shares: Nil

Age Johannes Wilhelm (John) Nota

Treasurer and Independent Non-executive Director (Appointed 27 November 2017)

Retired

John is an economist with 40 years of corporate experience. John has held senior executive financial positions within a number of publicly listed Australian and international companies.

John started his career at the Commercial Bank of Australia Limited (now Westpac Banking Corporation). He joined CRA Limited (now Rio Tinto) in 1981 where he held executive treasury management roles as well as general management roles in equity finance, investor relations, investment management and financial risk management. John was Managing Director of CRA Finance Limited (the internal banking group for CRA) at the time of merger between The RTZ Corporation Plc and CRA Limited. Subsequently, John was appointed to the position of Group Treasurer and Head of Corporate Finance for AXA Pacific Holdings Limited, where he was responsible for the Group's funding and financial risk management as well as being extensively involved in the Group's M&A activities. From 2003 to 2007, John was Head of Legal Operations at the National Australia Bank. In recent years, John has provided consulting advice to Commonwealth Bank Australia, National Australia Bank, Pacific Edge and The Boston Consulting Group. John also has considerable board experience, having been a board member of a number of finance companies and a hotel management company. He is currently Chairperson of Olympic Adult Education, Inc. Qualifications: Bachelors of Economics, La Trobe University, 1976. Post graduate studies: London Business School, 2002. Advanced Management Courses: Australia Graduate School of Management, AXA University.

Other current directorships: Olympic Adult Education, Inc

Committee member: Audit and Governance.

Interest in shares: Nil

Anne Marie Rogan

Co-Chair and Independent Non-executive Director (Appointed 10 July 2017)

Education Manager

Anne is a Senior Manager at Education Services Australia, managing large national education projects across government, independent and catholic schools and states. Prior to this, Anne worked as a lecturer at the University of Melbourne for 18 years.

Committee member: Marketing and Business Development

Interest in shares: Nil

Directors' report (continued)

Directors (continued)

Evelyn Stagg

Independent Non-executive Director (Resigned 30 June 2018)

Teacher

Evelyn is currently a Trainer for Educational Support RTO Diversitat Training. She holds a Certificate 1 in Training and Assessment, Diploma in Workplace Health and Safety, Graduate Diploma in Educational Administration and an Advanced Certificate in The Art and Science of Movement. She is currently a Committee member of Coorwull Inc. and previously a Director of the Coorwull Centre for Leadership and Service. She was also the Banyule Volunteer of the Year in 2014.

Committee member: Marketing and Business Development, Grants Sub Committee (Chair)

Interest in shares: 3,950

Peter Panayiotis Panatsos

Independent Non-executive Director (Appointed 10 July 2017, Resigned 28 February 2018)

Corporate Development

Peter works in Corporate Development focusing on organic and acquisition growth for mid to large sized companies. He specialises in the Healthcare and Financial Services sector. He has worked in corporate Strategy, Mergers and Acquisitions, Due diligence and Audit. He holds a Bachelor of Commerce, Bachelor of Finance, Graduate Diploma in Applied Finance and is a Chartered Accountant. He is currently working interstate but maintains a residence in Ivanhoe.

Committee member: Audit and Governance.

Interest in shares: Nil

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 Russell James Hutchins. Russell was appointed to the position of secretary on 13 November 2012. Russell has more than 30 years commercial experience in the banking and information technology industries and holds degrees in both Science and Business.

Principal activities

The principal activities of the company during the financial year were facilitating **Community Bank®** services under management rights to operate franchised branches 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 performed in excess of expectations. The profit of the company for the financial year after provision for income tax was:

Year ended 30 June 2018 \$	Year ended 30 June 2017 \$
319,675	301,362

Operating and financial review

Operations

The company is a sole purpose entity providing banking services under a franchise agreement with Bendigo and Adelaide Bank Limited. Although the company is reliant on Bendigo and Adelaide Bank for its products, services and operational procedures and policies, the model has been proven both robust and successful. This has provided the company with a sound commercial foundation upon which to build its local business operations.

In a continuing challenging economic environment, the company has significantly increased profit compared to the 2016-17 financial year. This result continues to be driven by the strong and consistent marketing efforts by staff and directors to continue to promote the **Community Bank®** model to grow the business through relationships with community groups.

Financial position

The strength of the balance sheet has improved with retained earnings increasing over the previous year. The company is in a strong cash position and has cash holdings well in excess of the franchise obligations.

The company has no debt on its investment property, which is considered to be a strategic investment for the business.

The company is managing its liabilities with the view to keeping them as low as possible. The company has sufficient liquidity to meet its ongoing commitments.

Discussion of business strategies

The board continually reviews strategies revolving around owning the properties from which its branches operate. This will take time to achieve in light of current leases and available suitable alternative sites.

Some of the benefits in adopting this strategy are that shareholder value will be enhanced and cash can be freed up to contribute more back into the community via sponsorships, grants and dividends.

Prospects for future financial years

The company's business growth revolves very strongly around close, consistent and targeted local marketing. The Marketing and Business Development Committee works closely with the company's Community Liaison Officer and the four managers on winning new business using a variety of strategies to leverage the company's community relationships.

The company continually evaluates all operational risks and, other than those financial risks identified in Note 2 to the Financial Statements, does not consider there are any significant risks that are likely to have a detrimental impact on its business.

Remuneration report

Remuneration policy

The remuneration policy of Heidelberg District Community Enterprise Limited has been designed to align key management personnel objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the company's financial results. The board believes the remuneration policy to be appropriate and effective in its ability to attract and retain key management personnel to run and manage the company, as well as create goal congruence between directors, managers and shareholders.

Remuneration Report *(continued)*

Key management personnel remuneration policy

Key management personnel receive a base salary (which is based on factors such as experience), superannuation and performance incentives.

The performance of key management personnel is measured against criteria agreed annually with each manager and is based predominantly on the forecast growth of the company's financial indicators and the contribution of each manager towards achieving these targets. The board may exercise its discretion in relation to approving incentives and bonuses. The policy is designed to attract high calibre managers and reward them for performance results.

Key management personnel also receive a superannuation guarantee contribution required by the government, which is currently 9.5%, and do not receive any other retirement benefits. Some individuals may choose to sacrifice part of their salary to increase payments towards superannuation.

Employment agreements have been entered into with key management personnel, the terms of which are not expected to change in the immediate future. Key management personnel are paid employee benefit entitlements accrued to date of leaving the employment of the company.

Remuneration structure

All directors are independent non-executive directors and are eligible to be paid directors' fees after a qualifying period.

Non-executive director remuneration policy:

The board's policy is to remunerate non-executive directors for their time, commitment and responsibilities. The amount paid is determined by the board. The maximum aggregate amount of fees that can be paid to non-executive directors has been approved by shareholders in accordance with legal requirements.

Fees for non-executive directors are not linked to the performance of the company.

Key management performance based remuneration

The key performance indicators (KPIs) are set annually in consultation with key management personnel to ensure buy-in. The measures are specifically tailored to the area each individual is involved in and has a level of control over. The KPIs target areas the board believes hold greater potential for lending and deposit growth and profit. The level set for each KPI is based on budgeted figures for the company and respective industry standards.

Performance in relation to the KPIs is reviewed annually, with bonuses being awarded depending on the number and deemed difficulty of the KPIs achieved. Following the assessment, the KPIs are reviewed by the board in consultation with regional management of Bendigo and Adelaide Bank.

Company performance

The following table shows the gross revenue, profits and dividends for the last 8 years for the company, as well as the share prices at the end of the respective financial years. Whilst revenue (other than in 2014 and 2015) has generally increased year on year, the net profit in any year has not necessarily risen in line with revenue growth. This is because the company has prioritised grants and sponsorships to community groups in preference to reporting profit growth. The company's performance over the last 8 years has not been reflected in the company's share price, albeit that in recent years dividends have been maintained or increased.

Directors' report (continued)

Remuneration Report (continued)

Company performance (continued)

	2018 \$	2017 \$	2016 \$	2015 \$	2014 \$	2013 \$	2012 \$	2011 \$
Revenue	2,494,759	2,342,173	2,200,696	2,182,225	2,234,966	2,453,930	2,131,142	1,928,462
Net profit/(loss)	319,675	301,362	70,236	116,575	118,588	295,074	126,809	5,222
Share price at year end	0.75	0.85	0.85	0.85	0.85	0.85	0.80	0.80
Net dividend paid	137,903	114,919	114,919	137,903	137,903	137,903	114,919	68,952

Directors' remuneration

For the year ended 30 June 2018 the directors received total remuneration including superannuation, as follows:

	\$
David John Mayne	5,000
Nancy Louise Caple	3,000
Russell James Hutchins	5,000
Brian Thomas Simpson	3,000
John Kenneth Nelson	3,000
Jason Gerard Dwyer	3,000
Peter Richard Drapac	3,000
Age Johannes Wilhelm Nota (Appointed 27 November 2017)	2,500
Anne Marie Rogan (Appointed 10 July 2017)	3,000
Evelyn Stagg (Resigned 30 June 2018)	2,250
Peter Panayiotis Panatsos (Appointed 10 July 2017, Resigned 28 February 2018)	2,500
	35,250

Fees and payments to directors recognise the demands which are made on, and the responsibilities of, the directors. Directors' fees are reviewed annually by the board. The fees for the Chairman, Secretary and Treasurer are determined independently to the fees of remaining directors.

Options issued as part of remuneration for the year ended 30 June 2018

No options have been issued as part of remuneration for the year ended 30 June 2018.

Employment Contracts of Directors

There are no employment contracts for directors.

Directors' report (continued)

Remuneration Report (continued)

Directors' shareholdings

	Balance at the start of year	Changes during the year	Balance at end of year
David John Mayne	32,000	-	32,000
Nancy Louise Caple	22,077	-	22,077
Russell James Hutchins	13,000	-	13,000
Brian Thomas Simpson	10,000	-	10,000
John Kenneth Nelson	1,533	-	1,533
Jason Gerard Dwyer	5,000	-	5,000
Peter Richard Drapac	-	-	-
Age Johannes Wilhelm Nota (Appointed 27 November 2017)	-	-	-
Anne Marie Rogan (Appointed 10 July 2017)	-	-	-
Evelyn Stagg (Resigned 30 June 2018)	3,950	-	3,950
Peter Panayiotis Panatsos (Appointed 10 July 2017, Resigned 28 February 2018)	-	-	-

Dividends

	Year ended 30 June 2018	
	Cents per share	\$
Dividends paid in the year	6	137,903

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' report (continued)

Indemnification and insurance of directors and officers

The company has indemnified all directors and management in respect of liabilities to other persons (other than the company or related body corporate) that may arise from their position as directors or managers 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		Audit & Governance		Committee Meetings Attended					
					Human Resources		Marketing & Business Development		Property	
	E	A	E	A	E	A	E	A	E	A
David John Mayne	11	10	-	-	-	-	12	12	6	6
Nancy Louise Caple	11	9	-	-	4	4	12	12	-	-
Russell James Hutchins	11	10	4	4	-	-	-	-	-	-
Brian Thomas Simpson	11	10	4	3	4	4	-	-	-	-
John Kenneth Nelson	11	10	-	-	4	3	-	-	-	-
Jason Gerard Dwyer	11	8	4	3	-	-	12	9	-	-
Peter Richard Drapac	11	10	-	-	-	-	-	-	6	6
Age Johannes Wilhelm Nota ¹	7	7	2	2	-	-	-	-	-	-
Anne Marie Rogan ²	11	10	-	-	-	-	5	4	-	-
Evelyn Stagg ³	8	2	-	-	-	-	9	2	-	-
Peter Panayiotis Panatsos ⁴	7	3	2	1	-	-	-	-	-	-

E - eligible to attend

A - number attended

¹ - Appointed 27 November 2017

² - Appointed 10 July 2017

³ - Resigned 30 June 2018

⁴ - Appointed 10 July 2017, Resigned 28 February 2018

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.

Directors' report *(continued)*

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 and Governance 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 and Governance 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 10.

Signed in accordance with a resolution of the board of directors at Heidelberg, Victoria on 27 August 2018.



Russell James Hutchins, Secretary

Auditor's independence declaration



Partners in success

Chartered Accountants

61 Bull Street, Bendigo 3550
PO Box 454, Bendigo 3552
03 5443 0344
afsbendigo.com.au

Lead auditor's independence declaration under section 307C of the *Corporations Act 2001* to the directors of Heidelberg District Community Enterprise Limited

As lead auditor for the audit of Heidelberg District Community Enterprise Limited for the year ended 30 June 2018, 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: 27 August 2018

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

Graeme Stewart
Lead Auditor

Taxation | Audit | Business Services

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

Financial statements

Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2018

	Notes	2018 \$	2017 \$
Revenue from ordinary activities	4	2,494,759	2,342,173
Expenses			
Employee benefits expense		(867,395)	(865,972)
Advertising and marketing expenses		(146,931)	(155,267)
Occupancy and associated costs		(264,732)	(286,102)
Systems costs		(101,424)	(100,017)
Depreciation and amortisation expense	5	(68,648)	(66,854)
Finance costs	5	(55)	(52)
General administration expenses		(258,393)	(284,222)
Profit before grants and sponsorships		787,181	583,687
Grants and sponsorships		(346,250)	(168,015)
Profit before income tax expense		440,931	415,672
Income tax expense	6	(121,256)	(114,310)
Profit after income tax expense		319,675	301,362
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Revaluation gain on land and buildings, net of tax		223,241	-
Total comprehensive income for the year attributable to the ordinary shareholders of the company:		542,916	301,362
Earnings per share		¢	¢
Basic earnings per share	24	13.91	13.11

The accompanying notes form part of these financial statements

Financial statements (continued)

Heidelberg District Community Enterprise Limited

Balance Sheet

for the year ended 30 June 2018

	Notes	2018 \$	2017 \$
ASSETS			
Current assets			
Cash and cash equivalents	7	1,036,177	866,328
Trade and other receivables	8	231,847	209,040
Total current assets		1,268,024	1,075,368
Non-Current Assets			
Property, plant and equipment	9	1,651,801	1,327,981
Intangible assets	10	28,398	53,706
Deferred tax asset	11	-	19,075
Total non-current assets		1,680,199	1,400,762
Total assets		2,948,223	2,476,130
LIABILITIES			
Current liabilities			
Trade and other payables	12	61,908	68,633
Current tax liabilities	11	31,699	68,800
Borrowings	13	1,066	1,012
Provisions	14	112,318	103,182
Total current liabilities		206,991	241,627
Non-current liabilities			
Provisions	14	8,695	5,723
Deferred tax liabilities	11	98,744	-
Total non-current liabilities		107,439	5,723
Total liabilities		314,430	247,350
Net assets		2,633,793	2,228,780
EQUITY			
Issued capital	15	1,641,165	1,641,165
Reserves	16	295,301	72,060
Retained earnings	17	697,327	515,555
Total equity		2,633,793	2,228,780

The accompanying notes form part of these financial statements

Financial statements (continued)

Heidelberg District Community Enterprise Limited Statement of Changes in Equity for the year ended 30 June 2018

	Notes	Issued capital \$	Retained earnings \$	Reserves \$	Total equity \$
Balance at 1 July 2016		1,641,165	329,112	72,060	2,042,337
Total comprehensive income for the year		-	301,362	-	301,362
Transactions with owners in their capacity as owners:					
Shares issued during period		-	-	-	-
Costs of issuing shares		-	-	-	-
Dividends provided for or paid	23	-	(114,919)	-	(114,919)
Balance at 30 June 2017		1,641,165	515,555	72,060	2,228,780
Balance at 1 July 2017		1,641,165	515,555	72,060	2,228,780
Total comprehensive income for the year		-	319,675	223,241	542,916
Transactions with owners in their capacity as owners:					
Shares issued during period		-	-	-	-
Costs of issuing shares		-	-	-	-
Dividends provided for or paid	23	-	(137,903)	-	(137,903)
Balance at 30 June 2018		1,641,165	697,327	295,301	2,633,793

Financial statements (continued)

Heidelberg District Community Enterprise Limited Statement of Cash Flows for the year ended 30 June 2018

	Notes	2018 \$	2017 \$
Cash flows from operating activities			
Receipts from customers		2,719,808	2,534,064
Payments to suppliers and employees		(2,247,553)	(2,067,131)
Interest received		18,783	10,592
Interest paid		(55)	-
Income taxes paid		(152,548)	(21,965)
Net cash provided by operating activities	18	338,435	455,560
Cash flows from investing activities			
Payments for property, plant and equipment		(46,138)	(20,209)
Proceeds from disposal of property, plant and equipment		15,455	-
Proceeds from financial assets		-	10,000
Net cash used in investing activities		(30,683)	(10,209)
Cash flows from financing activities			
Dividends paid	23	(137,903)	(114,919)
Net cash used in financing activities		(137,903)	(114,919)
Net increase in cash held		169,849	330,432
Cash and cash equivalents at the beginning of the financial year		866,328	535,896
Cash and cash equivalents at the end of the financial year	7(a)	1,036,177	866,328

The accompanying notes form part of these financial statements

Notes to the financial statements

For the year ended 30 June 2018

Note 1. Summary of significant accounting policies (*continued*)

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 Standards Board (AASB) 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 which 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

There are a number of amendments to accounting standards issued by the AASB that became mandatorily effective for accounting periods beginning on or after 1 July 2017, and are therefore relevant for the current financial year.

AASB 9 Financial Instruments sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This accounting standard is not expected to have a material impact on the financial statements.

AASB 15 Revenue from Contracts with Customers establishes a comprehensive framework for determining whether, how much and when revenue is recognised. This accounting standard is not expected to have a material impact on the financial statements.

There are also a number of accounting standards and interpretations issued by the AASB that become effective in future accounting periods.

The company has elected not to apply any accounting standards or interpretations before their mandatory operative date for the annual reporting period beginning 1 July 2016. These future accounting standards and interpretations therefore have no impact on amounts recognised in the current period or any prior period.

AASB 16 Leases is effective for annual periods beginning on or after 1 January 2019. The standard introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

The company has completed an initial assessment of the potential impact on its financial statements but has not yet completed its detailed assessment. The actual impact of applying AASB 16 on the financial statements in the period of initial application will depend on future economic conditions, including the company's borrowing rate at 1 January 2019, the composition of the lease portfolio at that date, the latest assessment of whether the company will exercise any lease renewal options and the extent to which the company chooses to use practical expedients and recognition exemptions.

Notes to the financial statements *(continued)*

For the year ended 30 June 2018

Note 1. Summary of significant accounting policies *(continued)*

a) Basis of preparation *(continued)*

So far, the most significant impact identified is that the company will recognise new assets and liabilities for its operating leases of its branches. As at 30 June 2018, the company's future minimum lease payment under non-cancellable operating leases amount to \$412,550, on an undiscounted basis (see Note 20).

No significant impact is expected for the company's finance leases.

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**[®] branches at East Ivanhoe and Heidelberg, Victoria.

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

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

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**[®] branches 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**[®] branches
- 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).

Notes to the financial statements *(continued)*

For the year ended 30 June 2018

Note 1. Summary of significant accounting policies *(continued)*

b) Revenue *(continued)*

Revenue calculation

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.

Margin is paid on all core banking products. A funds transfer pricing model is used for the method of calculation of the cost of funds, deposit return and margin.

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.

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.

Discretionary financial contributions

In addition to margin, commission and fee income, and separate from the franchise agreement, Bendigo and Adelaide Bank Limited has also made discretionary financial payments to the company. These are referred to by Bendigo and Adelaide Bank Limited as a "Market Development Fund" (MDF).

The amount has been based on the volume of business attributed to a branch. The purpose of the discretionary payments is to assist with local market development activities, including community sponsorships and donations. It is for the board to decide how to use the MDF.

The payments from Bendigo and Adelaide Bank Limited are discretionary and Bendigo and Adelaide Bank Limited may change the amount or stop making them at any time.

Notes to the financial statements *(continued)*

For the year ended 30 June 2018

Note 1. Summary of significant accounting policies *(continued)*

b) Revenue *(continued)*

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

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.

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 unrefundable).

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 entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Notes to the financial statements *(continued)*

For the year ended 30 June 2018

Note 1. Summary of significant accounting policies *(continued)*

c) Income tax *(continued)*

Deferred tax (continued)

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 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 gain from a bargain purchase.

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:

buildings	40	years
leasehold improvements	5 - 15	years
plant and equipment	25 - 40	years
motor vehicle	3 - 5	years

Notes to the financial statements *(continued)*

For the year ended 30 June 2018

Note 1. Summary of significant accounting policies *(continued)*

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. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

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) Financial liabilities

Financial liabilities include borrowings, trade and other payables and non-derivative financial liabilities (excluding financial guarantees). They 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.

Notes to the financial statements *(continued)*

For the year ended 30 June 2018

Note 1. Summary of significant accounting policies *(continued)*

l) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership are transferred to the company are classified as finance leases. Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred. Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

m) Provisions

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

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) Issued capital

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.

Notes to the financial statements *(continued)*

For the year ended 30 June 2018

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 2018 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.

Notes to the financial statements *(continued)*

For the year ended 30 June 2018

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 carried-forward 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 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.

Notes to the financial statements (continued)

For the year ended 30 June 2018

Note 3. Critical accounting estimates and judgements (continued)

Impairment of assets (continued)

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.

Fair value measurement

Some of the company's assets and liabilities are measured at fair value for financial reporting purposes. The board of directors determine the appropriate valuation techniques and inputs for fair value measurements.

Fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly
- Level 3 inputs are unobservable inputs for the asset or liability.

In estimating the fair value of an asset or a liability, the company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the company engages third party qualified valuers to perform the valuation.

Note 4. Revenue from ordinary activities

	2018	2017
	\$	\$
Operating activities:		
- gross margin	2,152,218	1,959,500
- services commissions	110,522	129,346
- fee income	131,440	150,055
- market development fund	20,000	26,250
Total revenue from operating activities	2,414,180	2,265,151
Non-operating activities:		
- interest received	19,332	11,508
- rental revenue	60,020	65,514
- profit on sale of motor vehicle	1,227	-
Total revenue from non-operating activities	80,579	77,022
Total revenues from ordinary activities	2,494,759	2,342,173

Notes to the financial statements *(continued)*

For the year ended 30 June 2018

Note 5. Expenses

	2018	2017
	\$	\$
Depreciation of non-current assets:		
- plant and equipment	4,231	5,415
- leasehold improvements	17,782	19,257
- buildings	16,500	16,500
- motor vehicle	4,828	258
Amortisation of non-current assets:		
- franchise agreement	4,599	4,144
- franchise renewal fee	20,708	21,280
	<u>68,648</u>	<u>66,854</u>
Finance costs:		
- interest paid	<u>55</u>	<u>52</u>
Bad debts	<u>516</u>	<u>237</u>

Note 6. Income tax expense

The components of tax expense comprise:		
- Current tax	115,447	107,372
- Movement in deferred tax	5,809	6,938
	<u>121,256</u>	<u>114,310</u>
The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax expense as follows		
Operating profit	440,931	415,672
Prima facie tax on profit from ordinary activities at 27.5% (2017: 27.5%)	121,256	114,310
Add tax effect of:		
- non-deductible expenses	4,250	-
- timing difference expenses	(9,721)	(6,938)
- other deductible expenses	(338)	-
	<u>115,447</u>	<u>107,372</u>
Movement in deferred tax	5,809	6,938
	<u>121,256</u>	<u>114,310</u>

Note 7. Cash and cash equivalents

Cash at bank and on hand	25,927	336,078
Term deposits	1,010,250	530,250
	<u>1,036,177</u>	<u>866,328</u>

Notes to the financial statements *(continued)*

For the year ended 30 June 2018

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:

	2018	2017
	\$	\$
Cash at bank and on hand	25,927	336,078
Term deposits	1,010,250	530,250
	<u>1,036,177</u>	<u>866,328</u>

Note 8. Trade and other receivables

Trade receivables	194,494	188,649
Prepayments	31,995	15,582
Other receivables and accruals	5,358	4,809
	<u>231,847</u>	<u>209,040</u>

Note 9. Property, plant and equipment

Land and buildings

Freehold land			
At cost	19	607,500	440,000

Buildings			
At cost	19	742,500	660,000
Less accumulated depreciation		-	(68,750)
		<u>742,500</u>	<u>591,250</u>

Leasehold improvements			
At cost		506,537	506,537
Less accumulated depreciation		(257,654)	(239,872)
		<u>248,883</u>	<u>266,665</u>

Plant and equipment			
At cost		95,694	89,505
Less accumulated depreciation		(80,208)	(75,977)
		<u>15,486</u>	<u>13,528</u>

Motor Vehicle			
At cost		39,950	16,796
Less accumulated depreciation		(2,518)	(258)
		<u>37,432</u>	<u>16,538</u>

Total written down amount		<u>1,651,801</u>	<u>1,327,981</u>
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Notes to the financial statements (continued)

For the year ended 30 June 2018

Note 9. Property, plant and equipment (continued)

	2018	2017
	\$	\$
Movements in carrying amounts:		
Land		
Carrying amount at beginning	440,000	440,000
Revaluation increment	167,500	-
Carrying amount at end	607,500	440,000
Buildings		
Carrying amount at beginning	591,250	607,750
Revaluation increment	167,750	-
Less: depreciation expense	(16,500)	(16,500)
Carrying amount at end	742,500	591,250
Leasehold improvements		
Carrying amount at beginning	266,665	285,922
Less: depreciation expense	(17,782)	(19,257)
Carrying amount at end	248,883	266,665
Plant and equipment		
Carrying amount at beginning	13,528	15,530
Additions	6,189	3,413
Less: depreciation expense	(4,231)	(5,415)
Carrying amount at end	15,486	13,528
Motor Vehicle		
Carrying amount at beginning	16,538	-
Additions	39,950	16,796
Disposals	(14,228)	-
Less: depreciation expense	(4,828)	(258)
Carrying amount at end	37,432	16,538
Total written down amount	1,651,801	1,327,981

The company's land and buildings at Heidelberg were independently valued during June 2018 by Miles Real Estate. The valuation resulted in an increment to the carrying amount of the land and buildings of \$250,000 (\$223,241 net of income tax), recognised as other comprehensive income in the Statement of Profit or Loss and Other Comprehensive Income.

Note 10. Intangible assets

Franchise fee	50,267	50,267
At cost	(45,116)	(40,517)
Less: accumulated amortisation	5,151	9,750
Establishment fee	70,000	70,000
At cost	(70,000)	(70,000)
Less: accumulated amortisation	-	-

Notes to the financial statements (continued)

For the year ended 30 June 2018

Note 10. Intangible assets (continued)

	2018	2017
	\$	\$
Renewal processing fee		
At cost	132,513	132,513
Less: accumulated amortisation	(109,266)	(88,557)
	<u>23,247</u>	<u>43,956</u>
Total written down amount	<u>28,398</u>	<u>53,706</u>

Note 11. Tax

Current:

Income tax payable	<u>31,699</u>	<u>68,800</u>
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Non-Current:

Deferred tax assets		
- accruals	1,017	976
- employee provisions	33,279	29,949
	<u>34,296</u>	<u>30,925</u>
Deferred tax liability		
- accruals	1,474	1,322
- property, plant and equipment	131,566	10,528
	<u>133,040</u>	<u>11,850</u>
Net deferred tax asset/(liability)	<u>(98,744)</u>	<u>19,075</u>
Movement in deferred tax charged to Statement of Profit or Loss and Other Comprehensive Income	<u>117,819</u>	<u>6,938</u>

Note 12. Trade and other payables

Current:

Trade creditors	13,802	15,631
Other creditors and accruals	48,106	53,002
	<u>61,908</u>	<u>68,633</u>

Note 13. Borrowings

Current:

Bank loans	<u>1,066</u>	<u>1,012</u>
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The bank loan is a Bendigo and Adelaide Bank Limited Mortgage Loan facility that expires on 28 April 2023. \$156,985 is available for redraw as at 30 June 2018. Interest is recognised at an average rate of 5.26%.

Notes to the financial statements *(continued)*

For the year ended 30 June 2018

Note 14. Provisions

	2018	2017
	\$	\$
Current:		
Provision for annual leave	47,538	34,292
Provision for long service leave	64,780	68,890
	<u>112,318</u>	<u>103,182</u>
Non-Current:		
Provision for long service leave	<u>8,695</u>	<u>5,723</u>

Note 15. Issued capital

East Ivanhoe		
1,098,386 ordinary shares fully paid (2017: 1,098,386)	473,010	473,010
East Ivanhoe includes bonus shares issued to all existing shareholders on a 1.3:1 basis (620,826 shares) on 17 June 2009.		
Heidelberg		
1,200,000 ordinary shares fully paid (2017: 1,200,000)	1,200,000	1,200,000
Less: equity raising expenses	(31,845)	(31,845)
	<u>1,641,165</u>	<u>1,641,165</u>

(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).

Notes to the financial statements *(continued)*

For the year ended 30 June 2018

Note 15. Issued capital *(continued)*

(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 206. As at the date of this report, the company had 440 shareholders.

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

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

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

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

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

Note 16. Reserves

	2018	2017
	\$	\$
Balance at the beginning of the financial year	72,060	72,060
Gain on property revaluation	335,250	-
Deferred income tax attributable to revaluation increment	(112,009)	-
Asset revaluation reserve	<u>295,301</u>	<u>72,060</u>

The freehold land and buildings were independently valued at 15 June 2018 by Miles Real Estate, a member of the Real Estate Institute of Victoria (REIV). Members of REIV are governed by a code of conduct and are constantly updated on the latest legislative changes.

Notes to the financial statements *(continued)*

For the year ended 30 June 2018

Note 17. Retained earnings

2018	2017
\$	\$
515,555	329,112
319,675	301,362
(137,903)	(114,919)
<u>697,327</u>	<u>515,555</u>

Note 18. 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	319,675	301,362
Non cash items:		
- depreciation	43,341	41,430
- amortisation	25,307	25,424
- profit on disposal	(1,227)	-
Changes in assets and liabilities:		
- (increase)/decrease in receivables	(22,807)	(14,793)
- (increase)/decrease in other assets	19,075	23,545
- increase/(decrease) in payables	(6,670)	2,788
- increase/(decrease) in provisions	12,108	7,004
- increase/(decrease) in current tax liabilities	(50,367)	68,800
Net cash flows provided by operating activities	<u>338,435</u>	<u>455,560</u>

Note 19. Fair value measurement

This section explains the judgements and estimates made in determining the fair values of the company's assets that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the applicable assets have been classified into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

At 30 June 2018	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Recurring fair value measurements:				
Property, Plant and Equipment				
Freehold land	-	607,500	-	607,500
Buildings	-	742,500	-	742,500
	<u>-</u>	<u>1,350,000</u>	<u>-</u>	<u>1,350,000</u>
Total assets at fair value	<u>-</u>	<u>1,350,000</u>	<u>-</u>	<u>1,350,000</u>

Notes to the financial statements (continued)

For the year ended 30 June 2018

Note 19. Fair value measurement (continued)

At 30 June 2017	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Recurring fair value measurements:				
Property, Plant and Equipment				
Freehold land	-	440,000	-	440,000
Buildings	-	660,000	-	660,000
	<u>-</u>	<u>1,100,000</u>	<u>-</u>	<u>1,100,000</u>
Total assets at fair value	<u>-</u>	<u>1,100,000</u>	<u>-</u>	<u>1,100,000</u>

There were no transfers between Level 1 and Level 2 during the reporting period. The company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

- Level 1: The fair value of available-for-sale financial assets traded in active markets is based on the quoted market price at the close of business at the end of the reporting period.
- Level 2: The fair value of property, plant and equipment is based on a valuation performed by a third party qualified valuer using quoted prices for similar assets in an active market.
- Level 3: There were no fair value measurements by the Level 3 fair value hierarchy.

Note 20. Leases

	2018 \$	2017 \$
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	237,268	213,315
- between 12 months and 5 years	175,282	386,600
	<u>412,550</u>	<u>599,915</u>

The East Ivanhoe lease is a non-cancellable lease with a five-year term which ends on 1 April 2021. Rent is payable monthly.
The Heidelberg lease is a non-cancellable lease with a five-year term which ends on 1 July 2019. Rent is payable monthly.

Note 21. Auditor's remuneration

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

- audit and review services	5,600	5,500
- non audit services	3,720	4,418
	<u>9,320</u>	<u>9,918</u>

Notes to the financial statements *(continued)*

For the year ended 30 June 2018

Note 22. Director and related party disclosures

	2018	2017
	\$	\$
Directors' Remuneration		
Directors' Remuneration	35,250	30,500
	<u>35,250</u>	<u>30,500</u>

Detailed remuneration disclosures are provided in the remuneration report, included as part of the directors' report.

	2018	2017
Director Shareholdings - Ordinary shares fully paid	87,560	87,560

Detailed shareholding disclosures are provided in the remuneration report, included as part of the directors' report.

Note 23. Dividends provided for or paid

a. Dividends paid during the year

Prior year proposed final		
100% (2017: 100%) franked dividend - 6 cents (2017: 5 cents) per share	<u>137,903</u>	<u>114,919</u>

The tax rate at which dividends have been franked is 27.5% (2017: 27.5%).

b. Franking account balance

Franking credits available for subsequent reporting periods are:

- franking account balance as at the end of the financial year	316,485	216,244
- franking credits that will arise from payment of income tax as at the end of the financial year	<u>27,773</u>	<u>68,800</u>

Franking credits available for future financial reporting periods:

Net franking credits available	<u>344,258</u>	<u>285,044</u>
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c. Reconciliation of franking account balance

Reconciliation of franking account balance as at the end of the financial year

Opening balance	216,244	237,869
- franking credits from the payment of income tax instalments during the year	90,773	53,785
- franking credits/(debits) from the payment/(refund) of income tax following of lodgement income tax returns	61,776	(31,820)
- franking debits from the payment of fully franked dividends	(52,308)	(43,590)
Closing balance	<u>316,485</u>	<u>216,244</u>

Notes to the financial statements *(continued)*

For the year ended 30 June 2018

Note 24. Earnings per share

	2018	2017
	\$	\$
(a) Profit attributable to the ordinary equity holders of the company used in calculating earnings per share	319,675	301,362
	Number	Number
(b) Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	2,298,386	2,298,386

Note 25. 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 26. 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 27. Segment reporting

The economic entity operates in the service sector where it facilitates **Community Bank®** services in Heidelberg suburbs of Melbourne, Victoria pursuant to a franchise agreement with Bendigo and Adelaide Bank Limited.

Note 28. 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

233-235 Lower Heidelberg Road Ivanhoe East VIC 3079

Principal Place of Business

233-235 Lower Heidelberg Road Ivanhoe East VIC 3079

164 Burgundy Street Heidelberg VIC 3084

Notes to the financial statements (continued)

For the year ended 30 June 2018

Note 29. 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					
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	%	%
Financial assets												
Cash and cash equivalents	25,527	336,078	1,010,250	530,250	-	-	-	-	400	400	1.80	1.66
Receivables	-	-	-	-	-	-	-	-	194,494	188,649	N/A	N/A
Financial liabilities												
Interest bearing liabilities	-	-	1,066	1,012	-	-	-	-	-	-	5.28	5.26
Payables	-	-	-	-	-	-	-	-	13,802	15,631	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 2018, the effect on profit and equity as a result of changes in interest rate, with all other variables remaining constant would be as follows:

	2018 \$	2017 \$
Change in profit/(loss)		
Increase in interest rate by 1%	10,347	8,653
Decrease in interest rate by 1%	(10,347)	(8,653)
Change in equity		
Increase in interest rate by 1%	10,347	8,653
Decrease in interest rate by 1%	(10,347)	(8,653)

Directors' declaration

In accordance with a resolution of the directors of Heidelberg District Community Enterprise 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 2018 and of its performance for the financial year ended on that date; and
 - (ii) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
- (c) the audited remuneration disclosures set out in the remuneration report section of the directors' report comply with Accounting Standard AASB124 Related Party Disclosures and the Corporations Regulations 2001.

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



Russell James Hutchins
Director

Signed on the 27th of August 2018.

Independent audit report



Chartered Accountants

61 Bull Street, Bendigo 3550
PO Box 454, Bendigo 3552
03 5443 0344
afsbendigo.com.au

Independent auditor's report to the members of Heidelberg District Community Enterprise Limited

Report on the audit of the financial statements

Our opinion

In our opinion, the financial report of Heidelberg District Community Enterprise Limited is in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the company's financial position as at 30 June 2018 and of its performance for the year ended on that date; and
- ii. complying with Australian Accounting Standards.

What we have audited

Heidelberg District Community Enterprise Limited's (the company) financial report comprises the:

- ✓ Statement of profit or loss and other comprehensive income
- ✓ Balance sheet
- ✓ Statement of changes in equity
- ✓ Statement of cash flows
- ✓ Notes comprising a summary of significant accounting policies and other explanatory notes
- ✓ The directors' declaration of the entity.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report.

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other information

The company usually prepares an annual report that will include the financial statements, directors' report and declaration and our independence declaration and audit report (the financial report). The annual report may also include "other information" on the entity's operations and financial results and financial position as set out in the financial report, typically in a Chairman's report and Manager's report, and reports covering governance and shareholder matters.

The directors are responsible for the other information. The annual report is expected to be made available to us after the date of this auditor's report.

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Independent audit report (continued)

Our opinion on the financial report does not cover the other information and accordingly we will not express any form of assurance conclusion thereon.

Our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If we identify that a material inconsistency appears to exist when we read the annual report (or become aware that the other information appears to be materially misstated), we will discuss the matter with the directors and where we believe that a material misstatement of the other information exists, we will request management to correct the other information.

Report on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2018. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion on the remuneration report

In our opinion, the remuneration report of Heidelberg District Community Enterprise Limited for the year ended 30 June 2018, complies with section 300A of the *Corporations Act 2001*.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

There are no key audit matters to disclose for the 30 June 2018 audit.

Directors' responsibility for the financial report

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

In preparing the financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or cease operations, or have no realistic alternative but to do so.

Auditor's responsibility for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatement can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/home.aspx>. This description forms part of our auditor's report.



Andrew Frewin Stewart
61 Bull Street, Bendigo, 3550
Dated: 27 August 2018



Graeme Stewart
Lead Auditor

NSX report

Share Information

Heidelberg District Community Enterprise Limited is a public company incorporated in Australia and listed on the National Stock Exchange of Australia (NSX).

In accordance with NSX listing rules the company provides the following information, current as at 30 June 2018.

Shareholding

The following table shows the number of shareholders by category according to the total number of shares held:

Number of shares held	Number of shareholders	Number of shares held
1 to 1,000	101	66,545
1,001 to 5,000	224	567,234
5,001 to 10,000	47	387,975
10,001 to 100,000	68	1,276,632
100,001 and over	Nil	
Total shareholders	440	2,298,386

Equity securities

Each of the above shareholders is 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.

There are 68 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.

There are no unquoted equity securities.

The total number of shareholders is 440.

Total number of shares is 2,298,386

Eleven largest shareholders

The following table shows the 11 largest shareholders:

Shareholder	Number of Shares	Percentage of Capital
Mrs Beryl Inkster Coombe	83,100	3.62%
Valley Maintenance Services	80,000	3.48%
Exardua Superannuation	48,707	2.12%
Tessala Pty Ltd Superannuation Fund	43,275	1.88%
J L Knorr Pty Ltd	33,000	1.44%
Mr Abraham Khoury	32,075	1.40%
Jardier Pty Ltd	25,640	1.12%
Purser Family Trust	23,000	1.00%
Barlow Financial Services Super Fund	23,000	1.00%
Drivecor Superannuation Fund	22,300	0.97%
Drivecor Pty Ltd	22,300	0.97%
Total	436,397	19.00%

NSX report *(continued)*

Registered office and principal administrative office

The registered office of the company, and its principal administrative office, is located at:

233-235 Lower Heidelberg Road
East Ivanhoe Victoria 3079
Telephone: (03) 9497 5133

Security Register

The security register (share register) is kept at:

Share Data National Share Registry Services
52 Angove Park Drive
Tea Tree Gully South Australia 5091
Telephone: (08) 8395 2308

Company Secretary

Russell Hutchins has been the Company Secretary of Heidelberg District Community Enterprise Limited for 6 years. Russell holds degrees in Science and Business and has not previously held the position of Company Secretary on a public company.

Directors' Right to Subscribe for Equity or Debt Securities

No Director holds any right to subscribe to equity or debt securities of the company.

Annexure 3

There are no material differences between the information in the Company's Annexure 3 and the information in the financial statements in the Annual Report.

Five year comparative table of performance, assets and liabilities

	2018	2017	2016	2015	2014
Revenue	2,494,759	2,342,173	2,200,696	2,182,225	2,234,966
Net profit/(loss)	319,675	301,362	70,236	116,575	118,588
Total Assets	2,948,223	2,476,130	2,211,095	2,266,315	2,269,525
Total Liabilities	314,430	247,350	168,758	179,295	161,177
Total Equity	2,633,793	2,228,780	2,042,337	2,087,020	2,108,348

Explanatory notes:

1. Net profit declined in 2014 due to general economic conditions and adjustment to the calculation of revenue sharing by Bendigo and Adelaide Bank but net profit in 2015 was consistent with 2014.
2. Net profit in 2016 declined, due mainly to the Company's commitment to its community programs by increasing its grants and sponsorship allocations, despite general continuing adverse economic conditions.
3. Net profit in 2017 improved markedly on 2016 due mainly to an increase in revenue, rigorous cost management and realising the benefit of grant payments made in 2016.
4. Net profit in 2018 increased over 2017, without the benefit realised in 2017, and was due to increased revenue and continued cost management.

Sponsorships and Grants 2017-18

10th Ivanhoe Scout Group	Latrobe Golf Club
1st Ivanhoe Sea Scouts	Lower Plenty Cricket Club
3081 Angels	Lower Plenty Dance Group Inc
Alphington Bowls Club Inc	Macleod Football Club
Amateur Repertory Company	Macleod Junior Football Club
Araluen Centre	Macleod Preschool
Banyule City Council - Banyule Festival	Marcellin Old Collegians Football Club
Banyule City Council - Women in Business	MND
Banyule City Council - Youthfest	North Heidelberg Sporting Club
Banyule City Soccer Club	Olympic Village Exodus Community
Banyule Junior Football Club	Open House
Banyule Toy Library Inc	Our Lady of Mercy College
Bellfield Community Garden	Parkside Junior Football Club
Big Group Hug	Parkside Netball Club
Charlton Park 2020	Preston Cricket Club
Eaglemont Tennis Club Inc.	Research Lower Plenty Baseball Club
East Ivanhoe Bowling Club	Rosanna Bowling Club
Fairfield Primary School	Rosanna Golf Links Primary School
Friends of Wilson Reserve Inc	Rosanna Primary School
Heidelberg Allstars	Somali Australian Council of Victoria
Heidelberg Football Club Inc	St John's Primary School
Heidelberg Occasional Childcare Inc	Sustainable Macleod Inc
Heidelberg Orchestras Inc	Viewbank Tennis Club Inc
Inner North East Community Radio Inc.	Waratah Special Developmental School
ISRAAC Women Inc	Warringal Conservation Society
Ivanhoe Bowling Club Inc	West Ivanhoe Sporting Club
Ivanhoe East Primary School	Yarra Valley Hockey Club Inc
Ivanhoe Knights Basketball Club	Youth Foundation 3081
Ivanhoe Netball Club	Youth Foundation Parkville
Ivanhoe Park Croquet Club Inc	

Total \$226,867

Community contributions and shareholder dividends

Community Contributions

Financial Year	CEF *	Sponsorships	Total		Grants**
2001/04		\$10,000	\$10,000		
2004/05	\$50,000	\$12,330	\$62,330		
2005/06	\$120,000	\$41,450	\$161,450		\$48,050
2006/07	\$100,000	\$30,400	\$130,400		\$70,490
2007/08	\$148,000	\$43,300	\$191,300		\$122,751
2008/09	\$47,000	\$46,580	\$93,580		\$148,142
2009/10	\$75,064	\$97,110	\$172,174		\$113,372
2010/11	\$166,054	\$134,067	\$300,121		\$116,896
2011/12	\$170,000	\$168,566	\$338,566		\$130,058
2012/13	\$165,021	\$171,077	\$336,098		\$160,756
2013/14	\$165,000	\$185,975	\$350,975		\$112,150
2014/15	\$40,000	\$154,145	\$194,145		\$119,700
2015/16	\$180,000	\$132,816	\$312,816		\$89,537
2016/17	\$40,000	\$128,015	\$168,015		\$78,067
2017/18	\$205,000	\$141,250	\$346,250		\$85,617
	\$1,671,139	\$1,497,081	\$3,168,220	#	\$1,395,586

* CEF - Community Enterprise Foundation.

** Grants distributed from contributions to CEF

Shareholder Dividends Paid

	Cents per share	Total distribution
2004/05	5 cents	\$23,651
2005/06	10 cents	\$47,756
2006/07	10 cents	\$47,756
2007/08	13 cents	\$62,083
2008/09	13 cents	\$62,083
2009/10	2 cents	\$45,967
2010/11	3 cents	\$68,952
2011/12	5 cents	\$114,919
2012/13	6 cents	\$137,903
2013/14	6 cents	\$137,903
2014/15	6 cents	\$137,903
2015/16	5 cents	\$114,919
2016/17	5 cents	\$114,919
2017/18	6 cents	\$137,903
		\$1,254,617

Corporate Governance Statement

The Board of Directors and management of the Company are committed to ensuring that the Company is not only well managed, but also operates with the standard of ethics expected of a Community focussed organisation. As such, the Board and management are committed to both the principles of good corporate governance and its practical implementation. The Board of Directors is ultimately responsible for governance of Heidelberg District Community Enterprise and ensuring that Directors, management and staff comply with the Company's ethical and operational standards. General community expectations, as well as regulation, have resulted in an increased level of scrutiny of boards and corporate governance, and Heidelberg District Community Enterprise is no exception.

Corporate Practice and Policies

The Company's corporate governance practices and policies have been developed by taking into account applicable requirements in such things as:

- Corporations Act 2001 (Cth)
- National Stock Exchange Listing Rules
- Bendigo and Adelaide Bank's Franchise Agreement
- Australian Standard AS 8000 – Good Corporate Governance

The Board has a Code of Conduct and a set of policies and procedures to ensure that high ethical and operational standards are maintained by the Board, management and staff of the Company. The Board is also committed to providing its shareholders with appropriate information regarding any matter that may materially affect the operation of the Company or more generally considered by the Board to be in shareholders' best interests. The Company encourages its shareholders to attend and actively participate in the Annual General Meeting and any Extraordinary General Meetings.

The Board and Board Committees

The Board is ultimately responsible for ensuring integrity and serving the local Heidelberg district community, while at the same time, protecting shareholder interests and Bendigo and Adelaide Bank Limited's reputation. At the date of this report, the Board consisted of 9 independent non-executive Directors. An independent non-executive Director is a Director that is independent of management and free of any business or other relationship that could materially interfere with the exercise of unfettered and independent judgment. Directors are required to attend all Board meetings unless prevented by other circumstances. To assist the Board in managing the business and achieve its objective of maintaining the highest standards of corporate governance, the Board delegates certain activities to Board Committees. Each of the Board Committees is composed exclusively of Directors. The Board Committees and their major objectives are:

Audit and Governance Committee

To ensure the accuracy of the Company's financial records, to monitor and mitigate risks facing the Company, and to ensure that the Company complies with both its fiduciary responsibilities and its franchise obligations;

Marketing and Business Development Committee

To promote the Company within the Community and maximise the effectiveness of the Company's investment into sponsorships, grants and marketing activities, and to actively provide business development opportunities for the two branches to promote business growth;

Human Resources Committee

To monitor and maintain all aspects of Board / staff relations; and

Property Committee

To deal with all matters relating to the leased branch properties and the tenanted investment properties.

Corporate governance statement *(continued)*

The Board meets monthly, together with management and Bendigo and Adelaide Bank's regional management, to review the performance of the business, assess its involvement in and support for Community activities, review the activities of the Board Committees, monitor compliance with applicable legislation and other obligations, and discuss any other relevant matters. Additional meetings are convened as required to address specific matters. The Board also conducts an annual planning workshop to review the Company's strategy and objectives and put in place action plans to achieve these objectives. The Board Committees meet monthly, bi-monthly or as required to review their respective functions.

Appointment and removal of the management of the Company is a function of the Board as a whole. Certain powers have been delegated by the Board to management to allow the Company to carry on its business in the most efficient manner. These delegated authorities are approved by the Board and include certain financial and non-financial matters. Management provides regular information to the Board in a concise and timely manner to enable the Board to review the operations of the Company and make informed decisions and discharge its duties. Where necessary, the Board will request more information.

The Board reviews the Company's operations and performance with Bendigo and Adelaide Bank at a minimum monthly, or more frequently if required, to ensure the Company's operations and practices align with those of Bendigo and Adelaide Bank and the **Community Bank®** network.

The responsibilities of the Board include:

- Preparing the Company's strategy and objectives
- Supporting the interests of the local Community
- Promoting and developing the Company's business interests
- Reviewing and approving the budgets and business plans prepared by management and Bendigo and Adelaide Bank
- Reviewing the performance of the Company against objectives
- Liaising with and reporting to Bendigo Bank and Adelaide Bank
- Ensuring that grants and sponsorships are appropriately managed
- Ensuring the effectiveness of the governance of the Company
- Ensuring the adequacy of the internal controls, procedures and policies of the Company
- Reporting to shareholders and other stakeholders.

Notes

Notes

Heidelberg **Community Bank**[®] Branch
164 Burgundy Street, Heidelberg VIC 3084
Phone: 9457 2055 Fax: 9458 3646

East Ivanhoe **Community Bank**[®] Branch
233 - 235 Lower Heidelberg Road, East Ivanhoe VIC 3079
Phone: 9497 5133 Fax: 9497 5233

Franchisee: Heidelberg District Community Enterprise Limited
233 - 235 Lower Heidelberg Road, East Ivanhoe VIC 3079
Phone: 9497 5133 Fax: 9497 5233
ABN: 62 095 312 744

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