2014 Annual Report

Heyfield & District Community Financial Services Limited

$872,000

2001-2014

Heyfield Lions Club Community Bus

Heyfield Hospital

Heyfield Wetlands

Glenmaggie Hall

Alan Broadbent Scholarship

Heyfield War Memorial Hall Inc

Gordon Street Reserve

Gippsland Plains Rail Trail

Heyfield Ambulance

Vision Statement

To work with our community to develop and improve the district.

Mission Statement

To develop the strength of the Community Bank and provide support to the district.

Statement of Values

We aim to work with our community, to develop and improve the district

We value our customers, and through our strong partnership with Bendigo Bank, will ensure a banking presence remains and expands within the community.

We value our shareholders and will ensure their investment in the company is safeguarded and rewarded.

We value our staff and will ensure they have the opportunity to develop to their full potential.

We value our relationship with Bendigo Bank, and will work towards achieving shared goals.

Michèle Ripper -
Chair

Keith Borthwick -
Company Secretary

Ken Noble -
Deputy Chair

Davis Wadey -
Secretary

Shirley Noble -
Director

Matthew Vaux -
Director

Aaron Ralph -
Director

Christine Thomas -
Company Personal Assistant

Report from the Chair

Dear Shareholders,

This year has proven to be a time of supporting our community in a major way and of renewal for the board.

The key group to receive financial support was the Heyfield Ambulance Auxiliary, benefiting from a donation of $80,000.00 in two instalments. This money went towards expanding their premises to house a complex vehicle. This improves the capability of the ambulance service here in Heyfield and will save lives in our neck of the woods.

For the second year running, we are also supporting a gifted local student to pursue their studies at university in Melbourne through the Alan Broadbent Scholarship. Patrick Elliott and Erin Liddell are the fortunate recipients of a grant of $10,000.00 each, spread over two years. These scholarships can give students the financial help they need to take the first step on their pathway to higher learning, and maybe one day they will be able to bring these skills back to their local community.

This is the purpose of your Community Bank®; we provide a meaningful contribution to the viability and development of our town and district. Thanks to the support of **Community Bank®** customers and shareholders, the Australia-wide network has now returned more than $122 million to support and strengthen local communities.

Our **Community Bank®** Company has played a key role in these milestones, returning more than $873,000.00 to our local community with a further $279,006.58 in dividends returned to local shareholders since opening in 2001.

These community grants and sponsorships have made a significant difference to a number of local organisations including Gordon Street Reserve, Heyfield Cricket Club- Junior's Program, Heyfield CFA – Junior Program, St Michael's Primary School – Shade Sails, Heyfield Family History Group- Gowns through the Ages, Rosedale Chamber for a Movie under the Stars night and various other local sporting groups. We look forward to continuing to support these groups and others as more people bank with us and we become more successful.

In terms of renewal, we would like to thank Bill Lack and Jenny McMillan for their time on the board and welcome two new young directors Matthew Vaux and Aaron Ralph. Both these young men are very active in their communities and they bring a fresh and youthful point of view to the board and decision-making.

I would like to thank my fellow directors for their hard work, team spirit and commitment this year. We have achieved a great deal, in what is still a sluggish period in the financial world. Yet, despite heavy competition from the majors, the **Community Bank®** model continues to thrive and return money to their respective communities.

A big thank you to Scott McNicol and his team and our PA Chris Thomas as well as our partners the Bendigo and Adelaide Bank Limited. We all are a cohesive team working towards the ongoing success of your **Community Bank®**

Yours sincerely

Michèle Ripper

Michèle Ripper

Chair

Heyfield & District
Community Financial Services Limited

Continuous and Never-ending Improvement

Manager's Report

Another year has flown by and it is with pleasure that I submit my report to shareholders for the financial year ended 30th June 2014.

Despite the challenging economic conditions and increased competition from the Big 4 Banks we have continued to grow our core banking products.

- Branch deposits increased by $1.299 million to $34.689 million.
- Branch Lending increased by $1.316 million to $35.233 million.
- Treasury funds decreased by $4,061 million to $10,594 million however this decrease was forecasted ahead of time due to a build up of funds in the previous financial year.
- Total footings for the year ended 30 June 2014 was $80,471,000.

Results like this can not be achieved without the fantastic support of our customers. I would personally like to thank our customers for entrusting us with all their banking needs. Our branch team looks forward to sharing your successes in the future as we continue to strengthen and build on our relationships.

I would like to thank my team, Tamarah, Tasha, Lesley, Lainie & Emma for their hard work & support to both myself and our customers. We said farewell to both Emma & Lainie this year. Emma made the decision to move back to NSW to be closer to her family and Lainie left to take on new ventures. I would like to wish them both all the best for their future endeavours.

I would also like to thank our wonderful team of volunteer Directors and our board PA who work tirelessly behind the scenes to promote and support our local community activities. This year has seen us reach $872,000 in community contributions through sponsorships and grants. We will continue to push this figure closer to the $1 million mark with the support of both new and existing customers. Watch this space we are getting very close.

My staff and I look forward to the year ahead and I encourage you all to continue to support your local **Community Bank**® through your family, friends and business networks.

Scott McNicol

Branch Manager

2013-2014 Staff Members




Staff pictured left to right:
Scott McNicol - Branch Manager, Tamarah Smith - Customer Relationship Manager, Tasha Barbour - Senior Customer Service Officer and Lesley McLean - Customer Service Officer

Bendigo and Adelaide Bank report

For year ending 30 June 2014

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Robert Musgrove
Executive Community Engagement

Sponsorships, Grants & Donations this year

Toongabbie Cricket Club

Little Gem Foundation

Heyfield CFA—Juniors Program

St Michael's Parents Association– Duck Cup

Cowwarr Primary School– "Farm Fair"

Maffra Secondary College—RACV 24hr Breakthrough

Rosedale Bowling Club Incorporated– Repairs to disabled ramp & sponsorship

Heyfield Ambulance Auxiliary– Erection of New Shed

Heyfield Cricket Club—Junior's program & sponsorship

Heyfield Primary School– School Camp

Nambrok Cricket Club

Maffra Uniting Church– Newry Pageant

Heyfield Family History Group– "Gowns through the Ages" display

Rosedale Chamber of Commerce– "Movies under the Stars Night"

Coongulla Reserve—"Paddy's Market"

Cowwarr Football Club

Sale—Maffra Kennel Club

Gordon Street Reserve– Donation towards refurbishment

Heyfield & District Vintage Machinery Incorporated

Rosedale Football Club

Sale United Football Club

Glenmaggie & District Boat Club

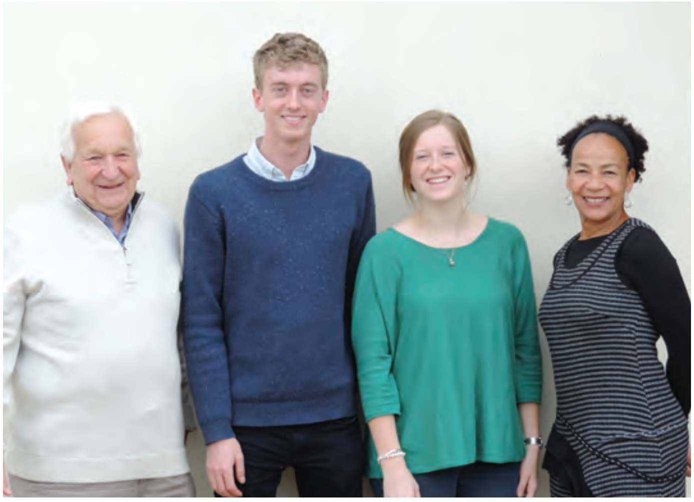
St Michael's Primary School—Shade Sails

Variety Australia

Alan Broadbent Scholarships– Patrick Elliott & Erin Liddell

Total $101,100

Alan Broadbent Scholarship



2014 Heyfield & District Community Bank® Branch "Alan Broadbent Scholarship"

Congratulations to Erin Liddell!

Off to study Arts/Science at Monash University-Clayton. Good Luck from the Heyfield & District **Community Bank®** branch staff and directors. Erin was the successful recipient of 2014 Alan Broadbent scholarship. Good luck also to Patrick Elliott who is embarking on the second year of his 2013 Alan Broadbent Scholarship at Melbourne University – Parkville where he is studying for a Bachelor of Science.

Both Erin and Patrick are pictured with Michèle Ripper (Chair) and Alan Broadbent (OAM). Mr Broadbent is the former Chairman and long-time ambassador for the Heyfield & District Community Bank® Branch.

Mini Decathlon

As part of our Community Strengthening Program the Heyfield & District Community Bank Invited the two Heyfield Primary School's to participate in a mini-decathlon. On a lovely winter's day in August the students came together to enjoy fun and games at the Gordon Street Reserve. There was a Cup awarded for the highest score at the end of the day.

The Community Bank funded healthy snacks for the children which were served by the Parent's Clubs. At the end of the day each child received a Showbag.

There were a range of team games like: Soccer Shoot out, Basketball shoot out, Long Jump, Bean Bag Throw, Time Obstacle Race, Triple Jump, Relay Race, Netball Shoot out, Ball bounce and Ten Pin Bowling.

From our point of view it was a tremendous community building exercise bringing our young people together to share in fun and games. It was great to see the directors, parents and teachers all joining in the fun.

We look forward to next year's event.

This year we focused on renewal encouraging young people to participate in their community and we supported two submission for Junior program's this year.

Heyfield Junior CFA

The Heyfield CFA and also the Heyfield Cricket Club ran programs to attract the younger children.

The Heyfield & District Community Bank presented a cheque for $2,500 for The Heyfield Junior CFA Volunteer Development Program. The program aims to teach, basic fire- fighting, fire safety, leadership, community spirit, teamwork, responsibility, volunteering, fun, friendship and much more.

With demonstrations from SES and Ambulance Vic and a tour of DEPI in Heyfield, the CFA Juniors have had a fun learning experience thus far.

BIG thanks to the people of Heyfield who support our Community Bank which made this donation possible.

Heyfield Cricket Club - Juniors

With the $2500 sponsorship from the Heyfield & District Community Bank Branch, the Heyfield Cricket Club were able to field 3 junior teams with the funds providing uniforms and playing equipment suitable for juniors. This was the first time in four years that the Heyfield Cricket Club was able to field junior teams. Congratulations to the Club for keeping the future of Cricket in Heyfield alive.

Relay for Life

This year saw Heyfield host its own Relay for Life and the Heyfield & District Community Bank was keen to be involved. This lead to fundraising efforts and of course participating in the actual event. It was long night but the whole team was able to watch the beautiful dawn and have a hearty breakfast with the rest of the community. We were very pleased to raise $1985 for the Cancer Council and look forward to participating in the next event.

Heyfield Ambulance Auxiliary

Over the past few years Heyfield & District Community Financial Services was able to support the Heyfield Ambulance Auxiliary to the amount $84,000 given in two instalments to construct a 3 bay all weather garage for Heyfield & District. This facility will house a complex patient ambulance (CPA) and four wheel drive ambulance. The Heyfield Ambulance Auxiliary is now able to meet the changing needs of the community by providing a Complex Patient Ambulance, with access now to a suitable vehicle for patient transport. A four wheel drive is essential to provide a new service to the High Country and Districts. Heyfield is centrally located in the wider district and will service East Gippsland to Latrobe Valley.

The Heyfield & District **Community Bank®** Branch mostly funded this venture with $84,000 coming from a grant and $8,000 from Ambulance Victoria

Pictured are Mr. Tim Bull, Gippsland East MLA, Mr. Hugh Stagg, President of Heyfield Ambulance Auxiliary, Ms Debbie Ray Ambulance

Victoria East Gippsland group manager and Mrs. Michèle Ripper—Chair of Heyfield & District Community Financial Services Limited at the official opening of the new facility.

Heyfield & District Community Financial Services Limited

Financial Statements

as at

30 June 2014

Richmond Sinnott & Delahunty
Chartered Accountants
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Bendigo, VICTORIA
PO Box 30, Bendigo VICTORIA 3552
Ph: (03) 5445 4200
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HEYFIELD & DISTRICT COMMUNITY FINANCIAL SERVICES LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Heyfield & District Community Financial Services Limited, which comprises the consolidated statement of financial position as at 30 June 2014, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end.

Directors' Responsibility for the Financial Report

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

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

Auditor's Opinion

In our opinion:

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

(i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and

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

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

RICHMOND SINNOTT & DELAHUNTY
Chartered Accountants

P. P. Delahunty
Partner

Dated at Bendigo, 26 September 2014

Heyfield & District Community Financial Services Limited
ABN 96 094 854 949
Directors' report

Your Directors present their report of the company for the financial year ended 30 June 2014. The information in the preceding operating and financial review forms part of this Directors' report for the financial year ended 30 June 2014 and is to be read in conjunction with the following information:

Directors

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

Name and position held	Qualifications	Experience and other Directorships
Michele Ripper Appointed 30/6/2006 **Chair**	Cecchetti Certificate in Advanced Ballet Southern Federation of Dance - Teaching	Business owner 25 years Marketing, Advert. 15 years running own Dance Studio School committees President Heyfield Kindergarten Winner Gippsland Business Awards
Keith Borthwick Appointed 24/10/2000 **Secretary**	RMIT Articled Clerks Course 1976	Solicitor 33 years Director- Torrens Limited – 8 years Heyfield Property Developments- 8 years Malbeq Proprietary Limited – 10 years
David Wadey Appointed 14/6/2006 **Director**	Certificate IV in Property (Real Estate Practice) Vic	Director of Heyfield Real Esate Pty Ltd Past President (Twice) of Heyfield Lions Club Secretary of Heyfield CFA brigade Heyfield Australia Day Committee
Jennifer McMillan Resigned 31/10/2013 **Director**	Director AICD Director Programs Winston Churchill fellow	Gippsland & Southern Rural Water 12 years Australian Dairy Farmers Limited Rural Training Council of Australia East Gipps. Rural Financial Counselling Serv. Gippsland Agribusiness Council Farmbis State Council Gippsland Development Inc. Gippsland Water for Growth Victorian Rural Women's Network Macalister Research Farm Audit committee
William Lack Resigned 31/10/2013 **Director**	Bachelor of Agricultural Science Diploma of Education Certificate IV in Training & Assessment	Co-ordinator of Agriculture at Advance TAFE Poll Hereford Farm operator Director Macilister Research Farm Co-op Treasurer of Heyfield Lions Treasurer of Victorian Hereford Association
Kenneth Noble Appointed 25/10/2012 **Director**	Certificate IV Rural Management Services	20 years service in major positions in Heyfield Lions & Heyfield Apex Club's
Shirley Noble Appointed 25/10/2012 **Director**	Diversional Therapist Certificates III & IV - Community Services-Disability Care & Allied Health	Heyfield Hostpital - 10 years Volunteered within local community
Matthew Vaux Appointed 31/10/2013 **Director**	Diploma of Management	Rosedale Newslatter Rosedale CRG
Aaron Ralph Appointed 30/1/2014 **Director**		President Heyfield Basketball Association Heyfield Football Club Heyfield Tennis Club

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

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

Heyfield & District Community Financial Services Limited
ABN 96 094 854 949
Directors' report

Principal activities

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

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

Review of operations

The loss of the company for the financial year after provision for income tax was $35,907 (2013 profit: $68,290), which is a considerable decrease as compared with the previous year.

The net assets of the company have increased to $666,554 (2013: $694,062). The increase is largely due to the ongoing profitability of the company.

Dividends	**Year ended 30 June 2014**	
	Cents per share	**$**
Dividends paid in the year - final dividend:	8	36,001

Significant changes in the state of affairs

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

Events subsequent to reporting date

No matters or circumstances have arisen since the end of the financial year that significantly affect or may

Remuneration report

<u>Remuneration policy</u>

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

Indemnifying officers or Auditor

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

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

Directors' meetings

The number of Directors' meetings held during the year were 12. Attendances by each Director during the year were as follows:

Director	Board meetings #	Audit Committee meetings #
Mrs Michele Ripper	10 (12)	1 (1)
Mr Keith Borthwick	11 (12)	2 (2)
Mr David Wadey	8 (12)	N/A
Mrs Jenny McMillan	2 (4)	1 (1)
Mr William Lack	4 (4)	N/A
Kenneth Noble	11 (12)	1 (1)
Shirley Noble	10 (12)	N/A
Matthew Vaux	8 (8)	N/A
Aaron Ralph	4 (6)	N/A

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

Likely developments

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

Environmental regulations

The company is not subject to any significant environmental regulation. However, the Board believes that the company has adequate systems in place for the management of its environment requirements and is not aware of any breach of these environmental requirements as they apply to the company.

Proceedings on behalf of company

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The company was not a party to any such proceedings during the year.

Company Secretary

Keith Borthwick has been the Company Secretary of Heyfield & District Community Financial Services Limited since 5 February 2002. Keith's qualifications and experience include being a legal practinioner for over 30 years.

Non audit services

The Board of Directors, in accordance with advice from the audit committee, are satisfied that the provision of non audit services during the year is compatible with the general standard of independence for Auditors imposed by the Corporations Act 2001. The Directors are satisfied that the services disclosed in Note 5 did not compromise the external Auditor's independence for the following reasons:

- all non audit services are reviewed and approved by the Audit Committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the Auditor; and

- the nature of the services provided does not compromise the general principles relating to Auditor independence in accordance with APES 110 "Code of Ethics for Professional Accountants" set by the Accounting Professional and Ethical Standards Board.

Auditor independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set at page 5 of this financial report. No officer of the company is or has been a partner of the Auditor of the company.

Signed in accordance with a resolution of the Board of Directors at Heyfield on
26 September 2014.

Michele Ripper
Director

Richmond Sinnott & Delahunty
Chartered Accountants
Level 2, 10-16 Forest Street
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26 September 2014

The Directors
Heyfield & District Community Financial Services Limited
54-56 Temple Street
HEYFIELD VIC 3858

Dear Directors,

To the Directors of Heyfield & District Community Services Limited

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

I declare that to the best of my knowledge and belief, during the year ended 30 June 2014 there has been:

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

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

P. P. Delahunty
Partner
Richmond Sinnott & Delahunty

Heyfield & District Community Financial Services Limited
ABN 96 094 854 949
Statement of profit or loss and Other Comprehensive Income
for the year ended 30 June 2014

	Notes	2014 $	2013 $
Revenue	2	666,011	722,014
Employee benefits expense	3	(368,850)	(354,533)
Depreciation and amortisation expense	3	(37,039)	(25,518)
Finance costs	3	(1,960)	(2,140)
Other expenses		(162,712)	(171,655)
Operating profit/(loss) before charitable donations & sponsorships		95,450	168,168
Charitable donations and sponsorships		(79,677)	(71,497)
Profit/(loss) before income tax expense		15,773	96,671
Tax expense / (benefit)	4	51,680	27,751
Profit/(loss) for the year		(35,907)	68,920
Other comprehensive income			
Revaluation of land and buildings		44,400	-
Total comprehensive income		8,493	68,920
Profit/(loss) attributable to members of the company		(35,907)	68,920
Total comprehensive income attributable to members of the company		8,493	68,920
Earnings per share (cents per share)			
- basic for profit / (loss) for the year	22	(7.98)	15.32
- diluted for profit / (loss) for the year	22	(7.98)	15.32

The accompanying notes form part of these financial statements

Heyfield & District Community Financial Services Limited
ABN 96 094 854 949
Statement of financial position
As at 30 June 2014

	Notes	2014 $	2013 $
Assets			
Current assets			
Cash and cash equivalents	6	145,646	154,574
Prepayments		150	304
Current tax receivable	4	10,223	3,260
Trade and other receivables	7	55,977	53,801
Total current assets		211,996	211,939
Non-current assets			
Property, plant and equipment	8	583,641	573,061
Intangible assets	9	3,726	5,726
Deferred tax assets	4	7,382	-
Total non-current assets		594,749	578,787
Total assets		806,745	790,726
Liabilities			
Current liabilities			
Trade and other payables	10	36,863	40,476
Loans and borrowings	11	12,642	12,642
Provisions	12	14,459	10,347
Total current liabilities		63,964	63,465
Non current liabilities			
Loans and borrowings	11	15,613	26,294
Provisions	12	10,146	6,905
Deferred tax liabilities	4	50,468	-
Total non current liabilities		76,227	33,199
Total liabilities		140,191	96,664
Net assets		666,554	694,062
Equity			
Issued capital	13	450,009	450,009
Asset revaluation reserve	14	168,226	123,826
Retained earnings	15	48,319	120,227
Total equity		666,554	694,062

The accompanying notes form part of these financial statements

Heyfield & District Community Financial Services Limited
ABN 96 094 854 949
Statement of changes in equity
for the year ended 30 June 2014

	Note	Issued capital $	Retained earnings $	Revaluation reserve $	Total equity $
Balance at 1 July 2012		**450,009**	**87,308**	**123,826**	**661,143**
Total comprehensive income for the year		-	68,920	-	**68,920**
Dividends paid or provided	23	-	(36,001)	-	**(36,001)**
Balance at 30 June 2013		**450,009**	**120,227**	**123,826**	**694,062**
Balance at 1 July 2013		**450,009**	**120,227**	**123,826**	**694,062**
Total comprehensive income for the year		-	(35,907)	44,400	8,493
Dividends paid or provided	23	-	(36,001)	-	(36,001)
Balance at 30 June 2014		**450,009**	**48,319**	**168,226**	**666,554**

The accompanying notes form part of these financial statements

Heyfield & District Community Financial Services Limited
ABN 96 094 854 949
Statement of cash flows
For the year ended 30 June 2014

	Notes	2014 $	2013 $
Cash flows from operating activities			
Receipts from customers		729,752	763,812
Payments to suppliers and employees		(675,861)	(660,547)
Interest paid		(1,960)	(2,140)
Interest received		2,600	11,260
Income tax paid		(15,557)	(71,252)
Net cash provided by operating activities	16	38,974	41,133
Cash flows from investing activities			
Proceeds from sale of property, plant & equipment		-	1,527
Purchase of property, plant & equipment		(1,220)	(281,945)
Net cash flows used in investing activities		(1,220)	(280,418)
Cash flows from financing activities			
Proceeds from borrowings		-	38,936
Repayment of borrowings		(10,681)	(30,781)
Dividends paid		(36,001)	(36,001)
Net cash used in financing activities		(46,682)	(27,846)
Net decrease in cash held		(8,928)	(267,131)
Cash and cash equivalents at beginning of financial year		154,574	421,705
Cash and cash equivalents at end of financial year	6	145,646	154,574

The accompanying notes form part of these financial statements

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

Heyfield & District Community Financial Services Limited ('the company') is a company limited by shares, incorporated and domiciled in Australia.

The financial statements were authorised for issue by the Directors on xx September 2014.

1. Summary of significant accounting policies

(a) Basis of preparation

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

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

Economic Dependency

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

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

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

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

- Advice and assistance in relation to the design, layout and fit out of the Community Bank® branch;
- Training for the branch managers and employees in banking, systems and interface protocol;
- Methods and procedures for the sale of products and provision of services;
- Security and cash logistic controls;
- Calculation of company revenue and payment of many operating and administrative expenses;
- The formulation and implementation of advertising and promotional programs; and
- Sale techniques and proper customer relations.

1. Summary of significant accounting policies

(b) Income tax

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

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities/(assets) are measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense/(income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Deferred tax assets relating to temprorary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled.

(c) Fair value of assets and liabilities

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

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

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

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

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

The fair value of the liabilities and the entity's own equity instruments may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market iformation where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted, and where significant, are detailed in the respective note to the financial statements.

1. Summary of significant accounting policies

(d) Property, plant and equipment

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

Property

Freehold land and buildings are carried at their fair value (being the amount for which an asset could be exchanged between knowledable, willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less accumulated depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in equity; all other decreases are recognised in profit or loss. Fair value is determined by reference to market based evidence, which is the amount for which the assets could be exchanged between a knowledgable willing buyer and a knowledgable willing seller in an arm's length transaction as at the valuation date.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

The carrying amount of land and buildings is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal.

Plant and equipment

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

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount of these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated over the asset's useful life to the company commencing from the time the asset is held ready for use.

The depreciation rate calculated on a straight line basis for each class of depreciable asset are:

Class of asset	*Depreciation rate*
Buildings	2.5%
Furniture & fittings	10%
Plant & equipment	10%

The depreciation rate calculated on a diminishing value basis for each class of depreciable asset are:

Class of asset	*Depreciation rate*
Motor vehicles	25%

1. Summary of significant accounting policies

(d) Property, plant and equipment

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

An assets' carrying amount is written down immediately to its recoverable amount if the assets' carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

Revaluations

Following initial recognition at cost, land and buildings are carried at a revalued amount which is the fair value at the date of the revaluation less any subsequent accumulated depreciation on buildings and accumulated impairment losses.

Fair value is determined by reference to market based evidence, which is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date.

During the 2014 financial year the directors unanimously agreed to bring to account land and buildings at a their current market value on the basis of an independent valuation prepared by Herron Todd White on 31 January 2014.

A revaluation surplus of $44,400 was credited to the asset revaluation reserve included in the equity section of the balance sheet.

(e) Impairment of assets

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

(f) Goods and services tax (GST)

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

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

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

(g) Employee benefits

Short-term employee benefits

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

1. Summary of significant accounting policies (continued)

(g) Employee benefits (continued)

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

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

(h) Intangibles

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

(i) Cash and cash equivalents

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

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

(k) Revenue

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

Interest, dividend and fee revenue is recognised when earned.

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

(k) Trade and other receivables

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

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

1. Summary of significant accounting policies (continued)

(l) Trade and other payables

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

(m) Borrowing costs

Borrowing costs are recognised in profit or loss in the period in which they are incurred.

(n) New accounting standards for application in future periods

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

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

(i) AASB 9 *Financial Instruments* and associated Amending Standards (applicable for annual reporting periods commencing on or after 1 January 2017).

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

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

(ii) AASB 2012-3: *Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities* (applicable for annual reporting periods commencing on or after 1 January 2014).

This Standard provides clarifying guidance relating to the offsetting of financial instruments, which is not expected to impact the company's financial statements.

(iii) AASB 2013-3: *Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets* (applicable for annual reporting periods commencing on or after 1 January 2014).

This Standard amends the disclosure requirements in AASB 136: *Impairment of Assets* pertaining to the use of fair value in impairment assessment and is not expected to significantly impact the company's financial statements.

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

Employee benefits
The company adopted AASB 119: Employee Benefits (September 2011) and AASB 2011-10: Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) from the mandatory application date of 1 January 2013. The company has applied these Standards retrospectively in accordance with AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors and the transitional provisions of AASB 119 (September 2011).

For the purpose of measurement, AASB 119 (September 2011) defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services. In accordance with AASB 119 (September 2011), provisions for short-term employee benefits are measured at the (undiscounted) amounts expected to be paid to employees when the obligation is settled, whereas provisions that do not meet the criteria for classification as short-term (other long-term employee benefits) are measured at the present value of the expected future payments to be made to employees.

As the company expects that all of its employees would use all of their annual leave entitlements earned during a reporting period before 12 months after the end of the reporting period, adoption of AASB 119 (September 2011) did not have a material impact on the amounts recognised in respect of the company's employee provisions. Note also that adoption of AASB 119 (September 2011) did not impact the classification of leave entitlements between current and non-current liabilities in the company's financial statements.

AASB 119 (September 2011) also introduced changes to the recognition and measurement requirements applicable to termination benefits and defined benefit plans. As the company did not have any of these types of obligations in the current or previous reporting periods, these changes did not impact the company's financial statements.

Fair value measurement
The company has applied AASB 13: Fair Value Measurement and the relevant consequential amendments arising from the related Amending Standards prospectively from the mandatory application date of 1 January 2013 and in accordance with AASB 108 and the specific transitional requirements in AASB 13.

AASB 13 defines fair value, sets out in a single Standard a framework for measuring fair value, and requires disclosures about fair value measurement.

No material adjustments to the carrying amounts of any of the company's assets or liabilities were required as a consequence of applying AASB 13. Nevertheless, AASB 13 requires enhanced disclosures regarding assets and liabilities that are measured at fair value and fair values disclosed in the company's financial statements.

The disclosure requirements in AASB 13 need not be applied by the company in the comparative information provided for periods before initial application of AASB 13 (that is, periods beginning before 1 January 2013). However, as some of the disclosures now required under AASB 13 were previously required under other Australian Accounting Standards, such as AASB 7: Financial Instruments: Disclosures, the company has provided this previously provided information as comparatives in the current reporting period.

(o) Loans and borrowings

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

1. Summary of significant accounting policies (continued)

(p) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which is probable that the outflow of economic benefits will result and the outflow can be reliably measured.

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

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

(q) Share capital

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

(r) Comparative figures

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

(s) Critical accounting estimates and judgements

The Directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company. Estimates and judgements are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The estimates and judgements that have a significant risk of causing material adjustments to the carrying values of assets and liabilities are as follows:

Estimation of useful lives of assets

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

Fair value assessment of non-current physical assets

The new AASB 13 Fair Value standard requires fair value assessments that may involved both complex and significant judgement and experts. The value of land and buildigns may be materially misstated and potential classification and disclosure risks may occur.

Employee benefits provision

Assumptions required for wage growth and CPI movements. The likelihood of employees reaching unconditional service is estimated. Treatment of leave under updated AASB 119 standard.

1. Summary of significant accounting policies (continued)

(s) Critical accounting estimates and judgements (continued)

Income tax

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

Impairment

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

(t) Financial instruments

Initial recognition and measurement

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

Classification and subsequent measurement

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

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

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discount estimated future cash payments or receipts over the expected life (or where this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability.

(i) Loans and receivables
Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

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

1. Summary of significant accounting policies (continued)

(t) Financial instruments (continued)

Impairment

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

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

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

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

Derecognition of financial instruments

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

2. Revenue and other income

	2014 $	2013 $
Revenue		
- services commissions	663,411	710,754
	663,411	710,754
Other revenue		
- interest received	2,600	11,260
- other revenue	-	-
	2,600	11,260
Total revenue	666,011	722,014

3. Expenses	**2014 $**	**2013 $**
Employee benefits expense		
- wages and salaries	311,802	303,688
- superannuation costs	31,282	26,489
- other costs	25,766	24,356
	368,850	354,533
Depreciation of non-current assets:		
- plant and equipment	23,797	15,635
- building improvements	11,242	7,883
Amortisation of non-current assets:		
- intangible assets	2,000	2,000
	37,039	25,518
Finance costs:		
- Interest paid	1,960	2,140

4. Tax Expense

The prima facie tax on profit/(loss) from ordinary activities before income tax is reconciled to the income tax expense as follows:

Prima facie tax on profit/(loss) before income tax at 30% (2013: 30%)	4,732	29,001
Add tax effect of:		
- Non-deductible expenses	3,862	(1,250)
- Recognition of deferred tax obligations	43,086	-
Current income tax expense	51,680	27,751
Income tax attributable to the entity	51,680	27,751
The applicable weighted average effective tax rate is	54.49%	28.71%

Current Tax

Tax liabilities		
Current tax payable	10,223	3,260

Non-Current Tax

Deferred tax assets		
Relating to provisions	7,382	-

Deferred tax liabilities		
Relating to asset revaluations	50,468	-

The applicable income tax rate is the Australian Federal tax rate of 30% (2013: 30%) applicable to Australian resident companies.

5. Auditors' remuneration

Remuneration of the Auditor for:

- Audit or review of the financial report	4,300	4,150
- Share registry services	1,790	1,720
	6,090	5,870

6. Cash and cash equivalents

	2014 $	2013 $
Cash at bank and on hand	73,195	84,715
Short-term bank deposits	72,451	69,859
	145,646	154,574

7. Trade and other receivables

	2014 $	2013 $
Current		
Trade debtors	55,977	53,801
	55,977	53,801

Credit risk

The company has no significant concentration of credit risk with respect to any single counterparty or group of counterparties other than those receivables specifically provided for and mentioned within Note 7. The main sources of credit risk to the company are considered to relate to the classes of assets described as trade and other receivables.

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

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

			Past due but not impaired			
2014	**Gross amount**	**Past due and impaired**	**< 30 days**	**31-60 days**	**> 60 days**	**Not past due**
Trade receivables	55,977	-	-	-	-	55,977
Total	55,977	-	-	-	-	55,977
2013						
Trade receivables	53,801	-	-	-	-	53,801
Total	53,801	-	-	-	-	53,801

8. Property, plant and equipment

	2014 $	2013 $
Land	17,500	17,500
At fair value	17,500	17,500
Buildings & improvements		
At fair value	440,000	449,586
Less accumulated depreciation	-	(42,743)
	440,000	406,843
Furniture & fittings		
At cost	174,624	174,624
Less accumulated depreciation	(130,567)	(123,908)
	44,057	50,716
Motor vehicle		
At cost	36,521	36,521
Less accumulated depreciation	(9,300)	(226)
	27,221	36,295
Plant and equipment		
At cost	84,029	82,809
Less accumulated depreciation	(29,166)	(21,102)
	54,863	61,707
Total written down amount	583,641	573,061

Movements in carrying amounts

	2014 $	2013 $
Land		
Balance at the beginning of the reporting period	17,500	17,500
Additions	-	-
Disposals	-	-
Depreciation expense	-	-
Balance at the end of the reporting period	17,500	17,500
Buildings & improvements		
Balance at the beginning of the reporting period	406,843	227,954
Additions	-	186,772
Revaluations	44,400	-
Depreciation expense	(11,243)	(7,883)
Balance at the end of the reporting period	440,000	406,843
Furniture & fittings		
Balance at the beginning of the reporting period	50,716	27,138
Additions	-	28,176
Disposals	-	-
Depreciation expense	(6,659)	(4,598)
Balance at the end of the reporting period	44,057	50,716

8. Property, plant and equipment (continued)

	2014 $	2013 $
Plant and equipment		
Balance at the beginning of the reporting period	61,707	15,954
Additions	1,220	50,185
Disposals	-	-
Depreciation expense	(8,064)	(4,432)
Balance at the end of the reporting period	54,863	61,707
Motor vehicles		
Balance at the beginning of the reporting period	36,295	26,088
Additions	-	36,521
Disposals	-	(19,709)
Depreciation expense	(9,074)	(6,605)
Balance at the end of the reporting period	27,221	36,295
Total written down amount	583,641	573,061

9. Intangible assets

	2014 $	2013 $
Franchise fee		
At cost	70,000	70,000
Less accumulated amortisation	(66,274)	(64,274)
	3,726	5,726

Movements in carrying amounts

	2014 $	2013 $
Franchise fee		
Balance at the beginning of the reporting period	5,726	7,726
Additions	-	-
Disposals	-	-
Amortisation expense	(2,000)	(2,000)
Balance at the end of the reporting period	3,726	5,726

10. Trade and other payables

	2014 $	2013 $
Current		
Unsecured liabilities:		
Trade creditors	33,663	37,376
Accrued audit fee	3,200	3,100
	36,863	40,476

11. Borrowings

	2014 $	2013 $
Current		
Chattel mortgage	12,642	12,642
	12,642	12,642
Non-current		
Chattel mortgage	15,613	26,294
	15,613	26,294

	2014 $	2013 $
12. Provisions		
Employee benefits	24,605	17,252
Movement in employee benefits		
Opening balance	17,252	24,575
Additional provisions recognised	26,277	25,921
Amounts utilised during the year	(14,924)	(33,244)
Closing balance	28,605	17,252
Current		
Annual leave	14,459	10,347
	14,459	10,347
Non-current		
Long-service leave	10,146	6,905
	10,146	6,905
Total provisions	24,605	17,252

Provision for employee benefits

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

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

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

13. Share capital

	2014 $	2013 $
450,009 Ordinary shares fully paid of $1 each	450,009	450,009
	450,009	450,009
Movements in share capital		
Fully paid ordinary shares:		
At the beginning of the reporting period	450,009	450,009
At the end of the reporting period	450,009	450,009

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

Capital management

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

13. Share capital (continued)

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

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

The Board is managing the growth of the business in line with this requirement. There are no other externally imposed capital requirements, although the nature of the company is such that amounts will be paid in the form of charitable donations and sponsorship. Charitable donations and sponsorship paid for the year ended 30 June 2014 can be seen in the Statement of Profit or Loss and Comprehensive Income.

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

	2014 $		2013 $
14. Asset revaluation reserve			
Balance at the beginning of the reporting period	123,826		123,826
Revaluation gain / (losses) during the year	44,400	*	-
Balance at the end of the reporting period	168,226		123,826

* Based on valuation by Herron Todd White - refer note 1d for more details.

15. Retained earnings

	2014 $	2013 $
Balance at the beginning of the reporting period	120,227	87,308
Diviedends paid	(36,001)	(36,001)
Profit/(loss) after income tax	(35,907)	68,920
Balance at the end of the reporting period	48,319	120,227

16. Statement of cash flows

Reconciliation of profit / (loss) after tax to net cash provided from/(used in) operating activities

	2014 $	2013 $
Profit / (loss) after income tax	(35,907)	68,920
Non cash items		
- Depreciation	35,039	23,518
- Amortisation	2,000	2,000
- Loss on sale of asset	-	(1,527)
Changes in assets and liabilities		
- (Increase) decrease in receivables	(2,021)	2,093
- (Increase) decrease in income tax receivable	(6,963)	(43,500)
- Increase (decrease) in payables	(3,613)	(3,048)
- Increase (decrease) in deferred tax balances	43,086	-
- Increase (decrease) in provisions	7,353	(7,323)
Net cash flows from/(used in) operating activities	38,974	41,133

17. Related party transactions

The company's main related parties are as follows:

(a) Key management personnel
Any person(s) having authority or responsibility for planning, directing or controlling the activities of the entity, directly or indirectly including any Director (whether executive or otherwise) of that company is considered key management personnel.

(b) Other related parties
Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel, individually or collectively with their close family members.

(c) Transactions with key management personnel and related parties
Other than detailed below, no key management personnel or related party has entered into any contracts with the company. No Director fees have been paid as the positions are held on a voluntary basis.

(d) Key management personnel shareholdings
The number of ordinary shares in Heyfield & District Community Financial Services Limited held by each key management personnel of the company during the financial year is as follows:

	2014	**2013**
Mrs Michelle Ripper	2,000	2,000
Keith Borthwick	1,001	1,001
David Wadey	500	500
Jennifer McMillan	2,833	2,833
William Lack	-	-
Kenneth Noble	500	500
Shirley Noble	500	500
Matthew Vaux	-	-
Aaron Ralph	-	-

There was no movement in key management personnel shareholdings during the year. Each share held has a paid up value of $1 and is fully paid.

(e) Other key management transactions

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

18. Events after the reporting period

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

19. Contingent liabilities and assets

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

20. Operating segments

The company operates in the financial services sector where it provides banking services to its clients. The company operates in one geographic area being Heyfield, Victoria. The company has a franchise agreement in place with Bendigo and Adelaide Bank Limited who account for 100% of the revenue (2013: 100%).

21. Company details

The registered office is:	3 Pearson Street, Maffra Vic 3860
The principle place of business is:	58 Temple Street, Heyfield Vic 3860

22. Earnings per share	**2014 $**	**2013 $**
Basic earnings per share amounts are calculated by dividing profit / (loss) after income tax by the weighted average number of ordinary shares outstanding during the year.		
Diluted earnings per share amounts are calculated by dividing profit / (loss) after income tax by the weighted average number of ordinary shares outstanding during the year (adjusted for the effects of any dilutive options or preference shares).		
The following reflects the income and share data used in the basic and diluted earnings per share computations:		
Profit/(loss) after income tax expense	(35,907)	68,920
Weighted average number of ordinary shares for basic and diluted earnings per share	450,009	450,009

23. Dividends paid or provided for on ordinary shares

	2014	2013
(a) Dividends paid during the year Final fully franked ordinary dividend of 8 cents per share (2013:8) franked at the tax rate of 30% (2013: 30%).	36,001	36,001
(b) Franking credit balance The amount of franking credits available for the subsequent financial year are:		
- Franking account balance as at the end of the financial year	104,793	104,665
- Franking credits that will arise from the payment of income tax payable as at the end of the financial year.	(10,223)	(3,260)
	94,570	101,405

24. Fair value measurements

The company measures and recognises the following assets at fair value on a recurring basis after initial recognition:

- freehold land and buildings

The company subsequently measures some items of freehold land and buildings at fair value on a non-recurring basis.

The company does not subsequently measure any liabilities at fair value on a non-recurring basis.

a. Fair value hierarchy

AASB 13: *Fair Value Measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

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

Fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

24. Fair value measurements (continued)

Valuation Techniques

The company selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the company are consistent with one or more of the following valuation approaches:

- *Market approach:* valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- *Income approach:* valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- *Cost approach:* valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the company gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

The following tables provide the fair values of the company's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

		30 June 2014			
		Level 1	Level 2	Level 3	Total
	Note	$	$	$	$
Recurring fair value measurements					
Non-financial assets					
Freehold land		-	17,500	-	17,500
Freehold buildings		-	440,000	-	440,000
Total non-financial assets recognised at fair		-	457,500	-	457,500
Non-recurring fair value measurements		-	-	-	-

		30 June 2013			
		Level 1	Level 2	Level 3	Total
	Note	$	$	$	$
Recurring fair value measurements					
Non-financial assets					
Freehold land		-	17,500	-	17,500
Freehold buildings		-	406,843	-	406,843
Total non-financial assets recognised at fair		-	424,343	-	424,343
Non-recurring fair value measurements		-	-	-	-

There were no transfers between Level 1 and Level 2 for assets measured at fair value on a recurring basis during the reporting period (2013: no transfers).

b. Valuation techniques and inputs used to measure Level 2 fair values

Description	**Fair value at 30 June 2014 $**	**Description of valuation techniques**	**Inputs used**
Buildings & Land	$457,500	Qualified valuer	Valuation

(i) The fair value of freehold land and buildings is determined at least every three years based on valuations by an independent valuer. At the end of each intervening period, the Directors review the independent valuation and, when appropriate, update the fair value measurement to reflect current market conditions using a range of valuation techniques, including recent observable market data and discounted cash flow methodologies.

There were no changes during the period in the valuation techniques used by the company to determine Level 2 fair values.

25. Financial risk management

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

	Note	2014 $	2013 $
Financial assets			
Cash and cash equivalents	6	145,646	154,574
Trade and other receivables	7	55,977	53,801
Total financial assets		201,623	208,375
Financial liabilities			
Trade and other payables	10	36,863	40,476
Borrowings	11	28,255	38,936
Total financial liabilities		65,118	79,412

Financial risk management policies

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board has established an Audit Committee which reports regularly to the Board. The Audit Committee is assisted in the area of risk management by an internal audit function.

Specific financial risk exposure and management

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

(a) Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. For the company it arises from receivables and cash assets.

Credit risk is managed through maintaining procedures that ensure, to the extent possible, that clients and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Credit terms for normal fee income are generally 30 days from the date of invoice. For fees with longer settlements, terms are specified in the individual client contracts. In the case of loans advanced, the terms are specific to each loan.

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying amount and classification of those financial assets as presented in the statement of financial position.

The company's exposure to credit risk is limited to Australia by geographic area. The majority of receivables are due from Bendigo and Adelaide Bank Limited.

None of the assets of the company are past due (2013: nil past due) and based on historic default rates, the company believes that no impairment allowance is necessary in respect of assets not past due.

25. Financial risk management (continued)

(a) Credit risk (continued)

The company limits its exposure to credit risk by only investing in liquid securities with Bendigo and Adelaide Bank Limited and therefore credit risk is considered minimal.

	2014 $	2013 $
Cash and cash equivalents:		
A rated	145,646	154,574

(b) Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company ensures it will have enough liquidity to meet its liabilities when due under both normal and stressed conditions. Liquidity management is carried out within the guidelines set by the Board.

Typically, the company maintains sufficient cash on hand to meet expected operational expenses, including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

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

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

Financial liability and financial asset maturity analysis:

30 June 2014	Note	Total $	Within 1 year $	1 to 5 years $	Over 5 years $
Financial liabilities due					
Trade and other payables	**10**	36,863	36,863	-	-
Loans and borrowings	**11**	28,255	12,642	15,613	-
Total expected outflows		65,118	49,505	15,613	-
Financial assets - realisable					
Cash & cash equivalents	**6**	145,646	145,646	-	-
Trade and other receivables	**7**	55,977	55,977	-	-
Total anticipated inflows		201,623	201,623	-	-
Net (outflow)inflow on financial instruments		136,505	152,118	15,613	-

25. Financial risk management (continued)

(b) Liquidity risk (continued)

30 June 2013		**Total** $	**Within 1 year** $	**1 to 5 years** $	**Over 5 years** $
Financial liabilities due					
Trade and other payables	**10**	40,476	40,476	-	-
Loans and borrowings	**11**	38,936	12,642	26,294	-
Total expected outflows		79,412	53,118	26,294	-
Financial assets - realisable					
Cash & cash equivalents	**6**	154,574	154,574	-	-
Trade and other receivables	**7**	53,801	53,801	-	-
Total anticipated inflows		208,375	208,375	-	-
Net (outflow)/inflow on financial instruments		128,963	155,257	26,294	-

(c) Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

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

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

Sensitivity analysis

The following table illustrates sensitivities to the company's exposures to changes in interest rates and equity prices. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

25. Financial risk management (continued)

(c) Market risk (continued)

These sensitivities assume that the movement in a particular variable is independent of other variables.

Year ended 30 June 2014	Profit $	Equity $
+/- 1% in interest rates (interest income)	1,456	1,456
	1,456	1,456
Year ended 30 June 2013		
+/- 1% in interest rates (interest income)	1,156	1,156
	1,156	1,156

The company has no exposure to fluctuations in foreign currency.

(d) Price risk

The company is not exposed to any material price risk.

Fair values

The fair values of financial assets and liabilities are presented in the following table and can be compared to their carrying amounts as presented in the statement of financial position. Refer to Note 23 for detailed disclosures regarding the fair value measurement of the company's financial assets and liabilities. The company does not have any unrecoginised financial instruments at year end.

Heyfield & District Community Financial Services Limited
ABN 96 094 854 9499
Directors' Declaration

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

1 the financial statements and notes, as set out on pages 10 to 32 are in accordance with the Corporations Act 2001 and:

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

(ii) give a true and fair view of the company's financial position as at 30 June 2014 and of the performance for the year ended on that date;

2 in the Directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

Michele Ripper
Director

Signed at Heyfield on 26 September 2014.

Notes

Heyfield & District Community Financial Services Limited
PO Box 263 - Shop 3, 58 Temple Street, Heyfield VIC 3858
Telephone 5148 2204 **Facsimile** 5148 2015 **Email** hdfs@own.net.au

Share Registry
Richard Sinnott & Delahunty
PO Box 30 Bendigo VIC 3552

Your banking gives money back into our community

St Michael's Primary School

Rosedale Recreation Reserve

Heyfield Resource Centre

Maffra Secondary College

Heyfield & District Vintage Machinery Group

Heyfield CFA

Heyfield Kindergarten

Heyfield Family History Group Gowns through the ages

Various Sporting Clubs

Heyfield Primary School

Cowwarr Cutter's Cup