



Annual Report 2015

Mareeba & Dimbulah
Financial Services Ltd

ABN 53 115 503 930

Mareeba **Community Bank®** Branch
Dimbulah **Community Bank®** Branch

Contents

Chairman's report	2
Managers' report	5
Bendigo and Adelaide Bank report	6
Directors' report	8
Auditor's independence declaration	11
Financial statements	12
Notes to the financial statements	17
Directors' declaration	31
Independent audit report	32

Chairman's report

For year ending 30 June 2015

The 2014/15 financial year has been punctuated with strong achievements by the Mareeba and Dimbulah **Community Bank**[®] branches, and in turn, Mareeba & Dimbulah Financial Services Ltd. There have been major milestones, growth exceeding predictions and staff achievements, and it is with great pride that this Chairman's report is presented.

Company performance and results

One of the major milestones reached this year is the attainment of \$200 million in total business. This momentous result will be celebrated at our 10th Birthday celebrations in December 2015, and is a fantastic success story for our shareholders. This result has brought the profitability of the company back in line with our goals for investing in the future and maintaining reserves in the bottom line, which will enable us to continue to return profit to our investors [Table 1], now and into the future.

Table 1 – Dividends paid

Financial year	Date paid	Rate	Amount
2006/2007			
2007/2008	01 October 2007	0.06 cents	\$ 60,270.66
2008/2009	30 January 2009	0.07 cents	\$ 70,315.77
2009/2010	15 December 2009	0.06 cents	\$ 60,270.66
2010/2011	17 November 2010	0.06 cents	\$ 60,270.66
2011/2012	12 December 2011	0.06 cents	\$ 60,270.66
2012/2013	19 December 2012	0.07 cents	\$ 70,315.77
2013/2014	18 September 2013	0.03 cents	\$ 30,135.33
	19 December 2013	0.07 cents	\$ 70 315.77
2014/2015	08 December 2014	0.07 cents	\$ 70,315.77
	Total	0.55 cents	\$ 552,481.05

Business in both branches has been brisk, with each exceeding budget by almost double the amounts set down for the 2014/15 financial year. Each branch has not only grown business in the core area of banking products, but the Branches continue to build on increasing the 'Product per Customer' mantra predicated by Bendigo Bank.

Gross turnover this financial year reached \$1.578 million but overall return on business slipped further to \$789 in revenue for every \$100,000 in business footings. This is in comparison to the previous year of \$823 revenue per \$100,000 business, and just shy off three quarters of the \$1,071 revenue returns we were experiencing up until June 2008, before the global financial crisis.

The after tax profit of \$78,838 continues the Board's position of maintaining profit in the company while increasing cash funds available for future expansion and returns to shareholders. This profit result is after an amount of \$125,000 was contributed to the Australian Sports Foundation for our Community Grants program.

Chairman's report (continued)

The Board recognises that the future is difficult to predict, particularly given the turbulent times since October 2008. This has served to strengthen the Board's dedication to setting the direction of the company into the future, and this has been reflected in the processes of the committee. We have sharpened our focus on the future direction of the company, and have adapted to an even more diligent approach to building business, through a dedicated focus on strategic planning at Board meetings and moulding the strategy to what best fits our company profile for maximising business growth now and into the future. As we endeavour to progress our business and arm ourselves with the requisite tools, aided and supplied by our franchise partner, the results will not be in doubt given the collaborative approach espoused by Bendigo Bank.

The 2014/15 financial year proved to be highly successful for both **Community Bank®** branches. Under the leadership of Branch Manager Ann-Maree Zugno, the Dimbulah **Community Bank®** Branch and staff of Debbie, Cristine, Kristie-Lee and Jenni received awards for writing the most rural product in our region and fourth in the country in Farm Management Deposits, following on from being named 'Branch of the Year' in 2013/14.

This year the Mareeba **Community Bank®** Branch was named 'Branch of the Year'. This is a proud achievement for Branch Manager Stephen Gear and staff members Rebecca, Carmel, Freda, Beverley, Kira, Marie, Joyce, Scott and Sara.

The time and effort asked of both our Managers has always been met with a positive attitude and I thank them enormously for that. We as a Board certainly appreciate the extra effort and input our staff make and for their loyalty and commitment in promoting the **Community Bank®** branches in our community.

Next financial year we will see an important change in how revenue is calculated, with the introduction of a 'Funds Transfer Pricing' methodology. This calculation will change the method for pricing Bendigo Bank financial products, which provides the bulk of the **Community Bank®** branches revenue through the margin calculations. We do anticipate that the change will be a positive one for Mareeba & Dimbulah Financial Services Ltd despite foregoing approximately \$35,000 of the funding through the Market Development Fund, historically provided by Bendigo Bank for marketing and sponsorship activities in the community, to build the business of the branches. This change will take effect from 1 July 2016.

Community support/projects

Table 2 – Community contributions

Financial year	Sponsorships	Grants	Business	Total
2006/2007	\$ 13,024	\$ 0	\$ 0	\$ 13,024
2007/2008	\$ 29,210	\$ 50,000	\$ 1,121	\$ 80,331
2008/2009	\$ 13,482	\$ 28,000	\$ 20,992	\$ 62,474
2009/2010	\$ 30,811	\$ 37,000	\$ 43,266	\$ 111,077
2010/2011	\$ 45,640	\$ 0	\$ 55,812	\$ 101,452
2011/2012	\$ 41,731	\$ 3,000	\$ 39,091	\$ 83,822
2012/2013	\$ 49,068	\$ 111,123	\$ 53,447	\$ 213,638
2013/2014	\$ 45,000	\$ 111,000	\$ 41,762	\$ 197,762
2014/2015	\$ 50,650	\$ 125,300	\$ 29,817	\$ 205,767
Total	\$ 318,616	\$ 465,423	\$ 285,308	\$ 1,069,347

Chairman's report (continued)

Over the course of the 2014/15 year we provided more than \$50,000 in sponsorship and \$125,000 in grants to the Mareeba and Dimbulah communities. Since the establishment of Mareeba and Dimbulah **Community Bank**[®] branches more than \$1.6 million has been returned to the community either by distribution of dividends to shareholders or through grants, donations and sponsorship of local clubs and organisations. The company also has available about \$305,000 in the Community Enterprise Foundation™ for future projects.

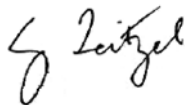
Over the past two years the company has been working on bringing to fruition a great project for the whole region, but more particularly the Mareeba community. The potential development to be known as the 'Bendigo Bank Recreational Precinct' will make a small start with the initial construction of four outdoor multi-purpose courts suitable for netball and basketball, along with an upgrade to the cricket pitch at Firth Park and walking paths to connect these areas and surrounds, as part of Stage 1. To this end the **Community Bank**[®] company has injected \$250,000 in funding, which along with contributions from the cricket, rugby league (Senior and Junior) the Leagues Club, netball and basketball amounting to \$170,000 and matched by the Queensland Governments 'Get playing plus' program, the group has available \$840,000 for this project. In the longer term the Board will continue to build on its work to date in developing, in conjunction with the community sporting groups and organisations who will benefit from the project and with a close working relationship with our local council, a high class recreational precinct that the whole community can utilise and be proud of, well into the future.

The Board

I cannot overstate the dedication of the Directors and the valued guidance given to the **Community Bank**[®] company by Graeme Ford, Frank De Iacovo, Cheryl Tonkin, Edward Balzarolo, Natasha Srhoj, Charles Khan and Amy Phillips who have given of their time to progress the **Community Bank**[®] company and I sincerely thank them for their effort, particularly those who have been with the Board for the past nine years. With a focus on succession planning we have also welcomed Chris Gillies to the Board.

Our Assistant Secretary and Public Relations Co-ordinator, Di Pregl has taken on the role of representative for our region, including the coastal areas from Cairns to Cardwell, on the developing collaborative marketing group, which is in the process of working on a forum and agenda to advance a joint promotion strategy between the Bendigo Bank and **Community Bank**[®] companies all over Australia.

As a Board we maintain a firm focus on corporate governance and community impact with the aim of delivering on our Mission which is, "We work with and invest in our communities to embrace and create opportunities; For a sustainable and positive future."



Gilbert Teitzel
Chairman

Managers' report

For year ending 30 June 2015

The Mareeba and Dimbulah **Community Bank**[®] branches' successes are reflective of the continual annual business growth displayed in the attached Table, which have continued on trend for both branches for the 2014/15 financial year. The significance of this growth for the 2014/15 financial year was in excess of \$20 million and can be attributed to the dedication of the staff from both the Mareeba and Dimbulah branches and their belief in the importance of the role of their **Community Bank**[®] branches in our community.

The success of the growth was the result of both branches achieving well above their respective budgets, with Mareeba achieving \$5 million above budget and Dimbulah achieving \$4.6 million above budget for 2014/15. Across the region Dimbulah **Community Bank**[®] Branch achieved the highest customer acquisition and the highest agricultural business growth, while also achieving the fourth highest growth across the nation in Farm Management Deposit funds. Mareeba **Community Bank**[®] Branch achieved the highest branch loan growth across the region, the highest business footings growth in excess of \$150 million and were awarded the premium award, 'Branch of the Year for Region 437 Far North Queensland'.

The above awards would not have been possible without the support of our direct staff at Mareeba **Community Bank**[®] Branch, Rebecca, Carmel, Freda, Bev, Kira, Marie, Joyce, Scott and Sara and our Dimbulah staff, Debbie, Cristine, Kristie-Lee and Jenni and our support staff of Yadranka Keeling, Business Banking Manager, Grant Turner, Rural Bank Manager and the State Support team. We would like to thank our Regional Manager Tony Jensen for his support and assistance throughout the past three years and wish him well in the next stage of his career with Bendigo Bank as he heads to Northern New South Wales.

The **Community Bank**[®] branches continued with their support of a number of organisations throughout the Mareeba and Dimbulah district through their scholarship and sponsorship programs and remained major sponsors of the Mareeba Rodeo, Dimbulah Lions Festival, the Wheelbarrow Race and the FNQ Rotary Field Day. The Board is continuing with their support of the community with their future focus being the 'Bendigo Bank Recreational Precinct'.

It is through the many hours of work our Board of Directors accomplish on a volunteer basis for the Mareeba and Dimbulah Communities that such projects are possible. We would like to acknowledge the Board for their valued contribution throughout the year and the support they offer to their **Community Bank**[®] branches.

Finally, to our existing shareholders, account holders and supporters we thank you for your continued support and encourage you, your friends and family to call in and speak to our staff about our great range of products. The growth of our business enables the **Community Bank**[®] company Board to further increase their support of projects and programs in your local area. Your advocacy of the **Community Bank**[®] branches will continue to play a vital role in our future growth.

Financial year	Total footings of Mareeba and Dimbulah Community Bank [®] branches
2007/2008	\$ 119.5 million
2008/2009	\$ 129.0 million
2009/2010	\$ 133.5 million
2010/2011	\$ 145.7 million
2011/2012	\$ 155.3 million
2012/2013	\$ 170.6 million
2013/2014	\$ 181.0 million
2014/2015	\$ 201.4 million



Stephen Gear
Mareeba Branch Manager



Ann-Maree Zugno
Dimbulah Branch Manager

Bendigo and Adelaide Bank report

For year ending 30 June 2015

In the 2015 financial year, the **Community Bank**[®] network opened its 310th branch and community contributions since the model's inception exceed \$130 million. Both of these achievements could not have been achieved without your ongoing support as a shareholder, customer and advocate of what is a truly unique way of banking for the benefit of your local community.

Local communities continue to embrace the **Community Bank**[®] model, a banking movement founded on the simple belief that successful customers and successful communities create a successful bank.

Seventeen years later communities are still approaching us and the model is as robust and relevant as ever, however a review of what we were doing, why and how we could do it better was timely.

During an 18 month period the Bank, in partnership with the **Community Bank**[®] network, undertook a comprehensive review of the **Community Bank**[®] model. Project Horizon was the largest single engagement process ever undertaken by our organisation.

As a result, a focus for the next 18 months will be the implementation of 64 recommendations. What was overwhelmingly obvious is that our **Community Bank**[®] network, and our Bank, care deeply about what has been developed and in what the future holds for the network.

In the early days of **Community Bank**[®] development, the **Community Bank**[®] model was seen as a way to restore branch banking services to rural towns, regional cities and metropolitan suburbs after the last of the banks closed their doors.

Today, although the focus is still about providing banking services, there is perhaps an even greater interest in the way in which the model creates a successful community enterprise used to effectively, and sustainably, build community capacity.

In October 2014, we welcomed **Community Bank**[®] branches in Bacchus Marsh, Kilmore, Maffra, Kwinana and Nubeena. All of these branches join a strong and mature banking network where valued partnerships enhance banking services, taking the profits their banking business generates and reinvesting that funding into initiatives to ultimately strengthen their community.

Following consultation with local residents and business owners responding to other banks reducing their branch presence, Aldinga Beach **Community Bank**[®] Branch opened the Willunga Customer Service Centre in April 2015, providing a full banking service to local people five days a week.

The **Community Bank**[®] model is a great example of shared value and was centre stage at an international Shared Value conference in the United States earlier this year.

Funding generated by **Community Bank**[®] branches support projects that make a difference to a community. But no matter how big or small the place people call home, the **Community Bank**[®] network recognises that when they act as one, powered by the good that money can bring, bigger things can happen for local towns, regions and states.

In WA, a \$125,000 commitment to Ronald McDonald House by Collie & Districts **Community Bank**[®] Branch resulted in a further \$125,000 from 21 branches (both community and company owned) in the state.

In QLD, Longreach farming families are now feeding their stock thanks to a dedicated Rotary Club and financial contributions from 16 **Community Bank**[®] (and company) branches.

Across regional and rural NSW, young people are today better drivers thanks to a driver education program supported by **Community Bank**[®] branches and across Australia, 58 young people headed off to their first year of university with the help of a **Community Bank**[®] scholarship.

Bendigo and Adelaide Bank report (continued)

Interest in the **Community Bank**[®] model remains strong, with 20 **Community Bank**[®] sites currently in development and a further six **Community Bank**[®] branches expected to open nationally during 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 support the community with the good that money can bring.

By the end of the financial year 2014/15 the **Community Bank**[®] network achieved the following:

- Returns to community – over \$130 million since the model's inception
- **Community Bank**[®] branches – 310
- **Community Bank**[®] branch staff – more than 1,500
- **Community Bank**[®] company Directors – 1,946
- Banking business – \$28.79 billion
- Customers – 699,000
- Shareholders – 74,393
- Dividends paid to shareholders since inception – \$38.6 million

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

In Bendigo and Adelaide Bank, your **Community Bank**[®] company has a committed and strong partner and over the last financial year our company has continued its solid performance. Our Bank continues to be rated at least "A-" by Standard & Poor's, Moody's and Fitch in recognition of its strong performance in the face of what continues to be a challenging economic environment.

Our **Community Bank**[®] partners played an integral role in the Bank's involvement in the Financial Systems Inquiry, lobbying their local Federal Government representatives and calling for a level playing field.


Recent APRA announcements regarding changes to risk weights on mortgages will positively impact our Bank – providing customers with a level playing field by giving them more choice from a wider variety of financial providers.

Thanks to the efforts of our people, our peers and **Community Bank**[®] partners, we're starting to see the benefits. In continuing to take a collaborative approach, we act as one network driving positive outcomes for all Australians.

As **Community Bank**[®] company shareholders you are part of a unique banking movement.

The model offers an alternative way to think about banking and the role banks play in modern society, and because of your support there really is no limit to what can be achieved for local people and the communities in which you live.

Thank you for your ongoing support of your local **Community Bank**[®] branch.



Robert Musgrove
Executive Community Engagement

Directors' report

For the financial year ended 30 June 2015

Your Directors present this report on the company for the financial year ended 30 June 2015.

Directors details

The names of the Directors in office at any time during or since the end of the year are:

Name: **Gilbert James Teitzel**
Position: Chairman
Qualifications: Certified Practising Accountant
Special responsibilities: Governance & Business Development Committee, Human Resource Committee and Chair of Audit/Finance Committee

Name: **Edward Balzarolo**
Position: Vice-Chairman
Qualifications: Primary Producer
Special responsibilities: Marketing & Sponsorship Committee and Governance & Business Development Committee

Name: **Natasha Srhoj**
Position: Secretary
Qualifications: Accounts Manager Mareeba Express
Special responsibilities: Marketing & Sponsorship Committee

Name: **Amy Kathryn Phillips**
Position: Treasurer
Qualifications: HR Systems & Contractual Reports Co-ordinator
Special responsibilities: Marketing & Sponsorship Committee and Audit/Finance Committee

Name: **Graeme Eric Ford**
Position: Director
Qualifications: Automotive Dealer
Special responsibilities: Chair of Governance & Business Development Committee and Chair of Human Resources Committee

Name: **Gianfranco De Iacovo**
Position: Director
Qualifications: Business Owner
Special responsibilities: Marketing & Sponsorship Committee

Name: **Cheryl Eileen Tonkin**
Position: Director
Qualifications: Civil Celebrant/Auctioneer
Special responsibilities: Governance & Business Development Committee and Human Resource Committee

Name: **Charles Edward Khan** (Appt: 27/08/14)
Position: Director
Qualifications: Ambulance Officer
Special responsibilities: Marketing & Sponsorship Committee

Directors' report (continued)

Directors details (continued)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

No Directors have material interests in contracts or proposed contracts with the company, except for Gilbert Teitzel whose firm provides accounting services to the company.

Principal activities

The principal activities of the company during the course of the year were providing **Community Bank®** services under management rights to operate a franchised branch of Bendigo and Adelaide Bank Limited in Mareeba and Dimbulah. No significant change in the nature of these activities occurred during the year.

Review of operations and financial results

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

Year ended 30 June 2015 \$	Year ended 30 June 2014 \$
78,837.87	49,065.61

Significant changes in the state of affairs

In the opinion of the Directors no significant changes in the company's state of affairs occurred during the financial year.

Dividends

The fully franked dividend of \$70,315.77 (\$ 0.07 per share) referred to in the previous Directors' report dated 31 December 2014 was paid on 8 December 2014.

Events arising since the end of the reporting period

There are no matters or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly affect either:

- the company's operations in future financial years
- the results of those operations in future financial years; or
- the company's state of affairs in future financial years.

Likely developments

The company expects to maintain the present status and level of operations and hence continue its policy of facilitating banking services to the community.

Environmental legislation

The company is not subject to any particular or significant environmental regulation under a law of the Commonwealth or of a State or Territory in Australia.

Indemnification and insurance of Directors and Officers

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

Directors' report (continued)

Indemnification and insurance of Directors and Officers (continued)

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

A copy of the Auditor's independence declaration as required under section 307C of the Corporations Act 2001 has been included on page 11 of this Financial report and forms part of this Directors' report.

Directors' meetings

During the year twelve Directors' meetings were held. Attendances by each Director during the year were:

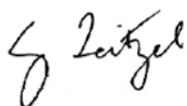
	Number eligible to attend	Number attended
Gilbert J Teitzel	12	12
Edward Balzarolo	12	9
Cheryl E Tonkin	12	9
Amy K Phillips	12	10
Graeme E Ford	12	10
Gianfranco De Iacovo	12	9
Natasha Srhoj	12	10
Charles Edward Khan	10	5

The Board has sub-committees that meet on an adhoc basis and maintain official records and report to Board meetings as required.

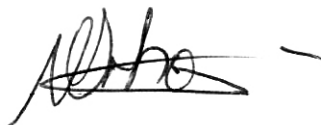
Proceedings on behalf of company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or 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.

Signed in accordance with a resolution of the Board of Directors:



Gilbert J Teitzel
Director



Natasha Srhoj
Director

Dated: 21 September 2015

Auditor's independence declaration

Mareeba & Dimbulah Financial Services Limited

ABN 53 115 503 930

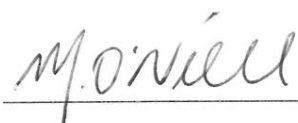
Auditor's Independence Declaration

UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

To THE DIRECTORS OF: Mareeba & Dimbulah Financial Services Limited

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



Megan O'Neill FCPA
Cairns Quality Accounting
Registered Company Auditor #419579
23/25-29 Grafton Street, Cairns Qld 4870

Dated: 21/09/2015.

Financial statements

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

	Note	2015 \$	2014 \$
Revenue from ordinary activities	4	1,578,144.77	1,499,199.31
Gross profit		1,578,144.77	1,499,199.31
Administration and general costs		-194,366.62	-210,917.08
Employment secondment expenses		-816,556.62	-810,690.50
ATM expenses		-19,291.82	-15,908.58
Depreciation and amortisation expenses		-72,977.20	-61,967.60
IT leasing and running costs		-43,369.68	-41,727.43
Occupancy costs		-115,819.77	-108,752.46
Marketing Development Fund expenses		-74,174.99	-82,104.27
Grants and donations		-125,300.00	-95,000.00
Operating profit before income tax		116,288.07	72,131.39
Income tax attributable to operating profit (loss)	5	37,450.20	23,065.78
Operating profit after income tax		78,837.87	49,065.61
Total comprehensive income for the year		78,837.87	49,065.61
Earnings per share (cents per share)		c	c
- basic profit for the year		7.85	4.88

The accompanying notes form part of these financial statements.

Financial statements (continued)

Statement of Financial Position as at 30 June 2015

	Note	2015 \$	2014 \$
Assets			
Current assets			
Cash and cash equivalents	7	654,107.72	647,682.18
Trade and other receivables	8	144,591.69	136,403.11
Current tax assets	9		15,527.89
Other	10	4,966.40	4,753.94
Total current assets		803,665.81	804,367.12
Non-current assets			
Receivables	8	21,750.00	24,000.00
Property, plant and equipment	11	271,830.57	213,612.61
Intangible assets	12	201,563.60	229,332.80
Total non-current assets		495,144.17	466,945.41
Total assets		1,298,809.98	1,271,312.53
Liabilities			
Current liabilities			
Trade and other payables	13	94,822.89	103,442.37
Current tax liabilities	14	29,219.68	1,204.85
Total current liabilities		124,042.57	104,647.22
Total liabilities		124,042.57	104,647.22
Net assets		1,174,767.41	1,166,665.31
Equity			
Contributed equity	15	1,004,511.00	1,004,511.00
Retained profits		170,256.41	162,154.31
Total equity		1,174,767.41	1,166,665.31

The accompanying notes form part of these financial statements.

Financial statements (continued)

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

	Issued capital \$	Accumulated profit (loss) \$	Total equity \$
Balance at 1 July 2013	1,004,511.00	212,904.80	1,217,415.80
Shares issued during year	-	-	-
Profit/(loss) attributable to the members of the company		49,065.61	49,065.61
Sub-total:	1,004,511.00	261,970.41	1,266,481.41
Dividends paid or provided for		(99,816.10)	(99,816.10)
Balance at 30 June 2014	1,004,511.00	162,154.31	1,166,665.31
Balance at 1 July 2014	1,004,511.00	162,154.31	1,166,665.31
Shares issued during year	-	-	-
Profit/(loss) attributable to the members of the company		78,837.87	78,837.87
Sub-total:	1,004,511.00	240,992.18	1,245,503.18
Dividends paid or provided for		(70,735.77)	(70,735.77)
Balance at 30 June 2015	1,004,511.00	170,256.41	1,174,767.41

The accompanying notes form part of these financial statements.

Financial statements (continued)

Statement of Cash Flows for the year ended 30 June 2015

	2015 \$	2014 \$
Cash flow from operating activities		
Receipts from customers	1,553,120.48	1,478,906.41
Payments to suppliers and employees	-1,383,846.04	-1,346,351.61
Interest received	17,580.13	20,692.56
Income tax paid	-8,517.30	-10,002.10
Net cash provided by (used in) operating activities (note 2 of cash flows)	178,337.27	143,245.26
Cash flow from investing activities		
Payment for:		
Loans to other persons	2,250.00	8,000.00
Payments for property, plant and equipment	-103,425.96	-16,051.12
Proceeds from disposal of:		
Proceeds from sale of property		1,000.00
Net cash provided by (used in) investing activities	-101,175.96	-7,051.12
Cash flow from financing activities		
Dividends paid	-70,735.77	-99,816.10
Net cash provided by (used in) financing activities	-70,735.77	-99,816.10
Net increase (decrease) in cash held	6,425.54	36,378.04
Cash at the beginning of the year	647,682.18	611,304.14
Cash at the end of the year (note 1 of cash flows)	654,107.72	647,682.18

The accompanying notes form part of these financial statements.

Financial statements (continued)

Statement of Cash Flows for the year ended 30 June 2015 (continued)

	2015 \$	2014 \$
Cash flows Note 1. Reconciliation of cash		
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.		
Cash at the end of the year as shown in the Statement of Cash Flows is reconciled to the related items on the		
Statement of Financial Position as follows:		
Cash at bank	129,107.72	147,682.18
Term deposit	525,000.00	500,000.00
	654,107.72	647,682.18

Cash flows Note 2. Reconciliation of net cash provided by/used in operating activities to net profit

Operating profit (loss) after tax	78,837.87	49,065.61
Depreciation	45,208.00	34,194.00
Amortisation	27,769.20	27,773.60
Increase/(decrease) in provision for income tax	27,443.10	11,637.50
(Profit) / Loss on sale of property, plant and equipment		-1,000.00
Increase/(decrease) in future income tax benefit	1,489.80	1,426.18
Changes in assets and liabilities net of effects of purchases and disposals of controlled entities		
(Increase) decrease in trade and term debtors	-8,188.58	1,539.63
(Increase) decrease in prepayments	-212.46	-501.67
Increase (decrease) in trade creditors and accruals	-8,619.48	10,013.89
Increase (decrease) in sundry provisions	14,609.82	9,096.52
Net cash provided by operating activities	178,337.27	143,245.26

The accompanying notes form part of these financial statements.

Notes to the financial statements

For year ended 30 June 2015

Note 1. Statement of significant accounting policies

(A) Basis of preparation

The company has elected to adopt the Australian Accounting Standards – Reduced Disclosure Requirements.

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Act 2001. Mareeba & Dimbulah Financial Services Ltd is a for-profit entity for the purpose of preparing the financial statements.

The financial statements for the year ended 30 June 2015 were approved and authorised for issue by the Board of Directors on 24 September 2015.

Changes in accounting policies

The accounting policies are consistent with those applied in the previous financial year except as follows:

The entity has adopted the following new and amended Australian Accounting Standards and AASB Interpretations as at July 2014:

- AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and

Liabilities

- AASB 2013-3 Amendments to AASB 136 - Recoverable amount disclosures for Non-financial assets
- AASB 2013-4 Amendments to Australian Accounting Standards - Novation of Derivatives and continuation of Hedge Accounting
- AASB 2013-5 Amendments to Australian Accounting Standards - Investment Entities
- AASB 1031 - Materiality
- AASB 2013-9 Amendments to Australian Accounting Standards - Conceptual Framework, Materiality, and

Financial Instruments

- AASB 2014-1 Amendments to Australian Accounting Standards arising from Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle

There has been no material impacts to the Group's result as a result of the accounting standards adopted above.

Compliance with IFRS

Recently issued or amended standards not yet effective

Australian Accounting Standards that have recently been issued or amended but are not yet effective have not been adopted for the annual reporting period ended 30 June 2015.

AASB 9 Financial Instruments introduces changes to the classification and measurement of financial assets and financial liabilities, impairment of financial assets and new rules for hedge accounting. This standard is mandatory for the 30 June 2019 financial statements. The potential effects of adoption of the standard are currently being assessed. The Group has not elected whether to early adopt this standard at this point in time.

Notes to the financial statements (continued)

Note 1. Statement of significant accounting policies (continued)

Compliance with IFRS (continued)

Recently issued or amended standards not yet effective (continued)

AASB 15 Revenue from contracts with customers establishes principles for reporting information about the nature, amount, timing and uncertainty of revenue and cashflows arising from customer contracts. This standard is effective for the 30 June 2018 financial statements. AASB 15 is not mandatory until 1 July 2017, however the IASB has deferred adoption to 1 July 2018. The AASB is also expected to make a similar amendment. The potential financial impact of the above to the Group is not yet possible to determine.

The following amendments to existing standards are not expected to result in significant changes to the Group's accounting policies:

- 2014-3 Amendments to Australian Accounting Standards - Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & AASB 11]
- 2014-4 Clarification of Acceptable Methods of Depreciation and Amortisation;
- 2014-9 Amendments to Australian Accounting Standards - Equity Method in Separate Financial Statements;
- 2014-10 Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture;
- 2015-1 Amendments to Australian Accounting Standards - Annual Improvements to Australian Accounting Standards 2012-2014 Cycle;
- 2015-2 Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 101;
- 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality; and
- 2015-5 Amendments to Australian Accounting Standards - Investment Entities: Applying the Consolidation Exception.

Economic dependency - Bendigo and Adelaide Bank Limited

The company has entered into a franchise agreement with Bendigo and Adelaide Bank Limited that governs the management of the **Community Bank**[®] branches at Mareeba and Dimbulah, Queensland.

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:

Notes to the financial statements (continued)

Note 1. Statement of significant accounting policies (continued)

Economic dependency - Bendigo and Adelaide Bank Limited (continued)

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

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

Summary of accounting policies

Overall consideration

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below.

Revenue

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

Revenue calculation

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

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

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

Notes to the financial statements (continued)

Note 1. Statement of significant accounting policies (continued)

Income tax

Current tax

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

Deferred tax

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements and the corresponding tax base of those items.

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

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

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

Current and deferred tax for the period

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

Employee benefits

Provision is not made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employees are seconded staff of Bendigo and Adelaide Bank Limited and are treated as employees of Bendigo and Adelaide Bank Limited. The company is invoiced each month for a provision to employee entitlements, such as long-service leave, holiday pay and sick leave. Any provision for employee entitlements are accrued by Bendigo and Adelaide Bank Limited.

Notes to the financial statements (continued)

Note 1. Statement of significant accounting policies (continued)

Cash and cash equivalents

For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position.

Trade receivables and payables

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

Property, plant and equipment

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

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land. Depreciation is calculated on a straight line basis so as to write off the net cost of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated at the rate equivalent to the available building allowance using the straight line method. The estimated useful lives, residual values and depreciation method is reviewed at the end of each annual reporting period.

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

Class of asset	Depreciation rate %
Leasehold improvements	2.5 - 40.0%
Plant and equipment	2.5 - 40.0%
Fixtures and fittings	2.5 - 40.0%

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

Intangibles

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

Borrowings

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

Leases

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

Notes to the financial statements (continued)

Note 1. Statement of significant accounting policies (continued)

Leases (continued)

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

Provisions

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

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

Contributed equity

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

Earnings per share

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

Goods and Service 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. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the Statement of cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Note 2. Financial instruments

Liquidity risk

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

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.

Notes to the financial statements (continued)

Note 2. Financial instruments (continued)

Capital management (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.

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 ended 30 June be paid in the form of charitable donations and sponsorship. Charitable donations and sponsorship paid for the year ended 30 June 2015 can be seen in the Statement of Profit or Loss and Other Comprehensive Income.

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

Note 3. Critical accounting estimates and judgements

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

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

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

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

Taxation

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

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

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

Notes to the financial statements (continued)

Note 3. Critical accounting estimates and judgements (continued)

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the company's share of the net identifiable assets of the acquired branch/agency at the date of acquisition. Goodwill on acquisition is included in intangible assets. Goodwill is not amortised. Instead, goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

The calculations require the use of assumptions.

Impairment of assets

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

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

If the recoverable amount of an asset (or cash-generating unit) is reduced to its recoverable amount, an impairment loss is recognised in the Statement of Profit or Loss and Other Comprehensive Income immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

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

	2015 \$	2014 \$
--	------------	------------

Note 4. Revenues from ordinary activities

Operating activities:

Gross margin	951,443.12	921,795.31
Upfront product commission	56,964.64	55,152.83
Trailer product commission	297,564.78	254,908.60
Fee income	161,226.37	160,132.71
Market Development Fund	92,916.69	85,000.11
Hire of labour	449.04	517.19
Total revenue from operating activities	1,560,564.64	1,477,506.75

Notes to the financial statements (continued)

	2015 \$	2014 \$
Note 4. Revenues from ordinary activities (continued)		
Non-operating activities:		
Interest revenue	17,580.13	20,692.56
Profit on sale of property, plant, equip		1,000.00
Total revenue from non-operating activities	17,580.13	21,692.56
Total revenues from ordinary activities	1,578,144.77	1,499,199.31

Note 5. Income tax

The prima facie tax payable on profit/(loss) from ordinary activities before income tax is reconciled to

the income tax as follows:

Profit/(loss) from ordinary activities before income tax at 30%	116,288.07	72,131.39
Prima facie income tax at 30%	34,886.40	21,639.60
Add tax effect of:		
- Non-deductible entertainment costs	1,074.00	
- Prepaid insurance	1,489.80	1,426.18
Income tax expense/(revenue)	37,450.20	23,065.78
Income tax expense attributable to profit from ordinary activities	37,450.20	23,065.78
The applicable weighted average effective tax rates are as follows (%):	32.20	31.98

Note 6. Dividends

Dividends provided for or paid	70,735.77	99,816.10
	70,735.77	99,816.10

On 8 December 2014 dividend payments of \$70,315.77 were made. \$210.00 of these that were initiall rejected remain outstanding. On 15 August 2014 \$630.00 in dividends paid on 19 December 2013 were reissued.

Note 7. Cash and cash equivalents

Bank accounts:

Bendigo Cheque Account	35,062.26	85,817.41
Bendigo Market Development Fund Account	94,449.86	61,869.15
Bendigo Business Solutions Account	-821.82	-150.85
Bendigo Business Cash Management Account	417.42	146.47

Notes to the financial statements (continued)

	2015 \$	2014 \$
--	------------	------------

Note 7. Cash and cash equivalents (continued)

Other cash items:

Bendigo Term Deposit	525,000.00	500,000.00
	654,107.72	647,682.18

Reconciliation of cash:

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to items in the Statement of Financial Position as follows:

- Cash	654,929.54	647,833.03
- Bank overdrafts	-821.82	-150.85
	654,107.72	647,682.18

Note 8. Trade and other receivables

Current

Trade debtors	144,591.69	136,403.11
	144,591.69	136,403.11

Non-current

Amounts receivable from

- Loan: Mareeba Golf Club Inc	21,750.00	24,000.00
	21,750.00	24,000.00

Note 9. Tax assets

Current

GST Payable Control Account	-24,829.97
Input Tax Credit Control Account	31,997.47
Provision for Income Tax	8,360.39
Deferred Tax Assets	
	15,527.89

Note 10. Other assets

Current

Prepayments	4,966.40	4,753.94
	4,966.40	4,753.94

Notes to the financial statements (continued)

	2015 \$	2014 \$
Note 11. Property, plant and equipment		
Leasehold improvements:		
- At cost	533,797.97	465,773.01
- Less: Accumulated depreciation	-263,880.36	-255,578.36
	269,917.61	210,194.65
Plant and equipment:		
- At cost	10,183.96	10,183.96
- Less: Accumulated depreciation	-8,271.00	-6,766.00
	1,912.96	3,417.96
Total written down amount	271,830.57	213,612.61

Note 12. Intangible assets

Start-up costs:		
- At cost	170,000.00	170,000.00
Franchise fees:		
- At cost	43,140.00	43,140.00
- Less: Accumulated amortisation	-21,218.00	-16,590.00
	21,922.00	26,550.00
Renewal process fees:		
- At cost	115,706.00	115,706.00
- Less: Accumulated amortisation	-106,064.40	-82,923.20
	9,641.60	32,782.80
Total written down amount	201,563.60	229,332.80

Note 13. Trade and other payables

Unsecured:		
- Trade creditors	94,822.89	103,393.77
- Deposits refundable (POS)		48.60
	94,822.89	103,442.37

Notes to the financial statements (continued)

	2015 \$	2014 \$
Note 14. Tax liabilities		
Current		
GST Payable Control Account	26,439.64	
Input Tax Credit Control Account	-18,997.32	
Provision for Income Tax	19,082.71	
Deferred Tax Assets	2,694.65	1,204.85
	29,219.68	1,204.85

Note 15. Contributed capital

1,004,511 Ordinary shares at \$1.00 each fully paid	1,004,511.00	1,004,511.00
--	---------------------	---------------------

Rights attached to shares

Voting rights

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

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

Dividends

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

Transfer

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

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

Notes to the financial statements (continued)

Note 15. Contributed capital (continued)

Rights attached to shares (continued)

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

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

- They control or own 10% or more of the shares in the company (the “10% limit”).
- In the opinion of the Board they do not have a close connection to the community or communities in which the company predominantly carries on business (the “close connection test”).
- Where the person is a shareholder, after the transfer of shares in the company to that person the number of shareholders in the company is (or would be) lower than the base number (the “base number test”).

The base number is 311. As at the date of this report, the company had 510 shareholders.

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

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

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

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

	2015 \$	2014 \$
--	------------	------------

Note 16. Leases

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

Payable - minimum lease payments

- not later than 12 months	52,308.59	51,280.96
- between 12 months and 5 years	275,258.67	220,976.51

The Mareeba property lease is a non-cancellable lease with an eight years six month term, due to expire on 30 November 2015, with rent payable monthly in advance. There remains two five year options to renew the lease.

The Dimbulah property lease is a non-cancellable lease with a five year term, with rent payable monthly in advance. The first five year option was taken up and due to expire on 30 November 2015, with one further option available.

Notes to the financial statements (continued)

Note 17. Director and related party disclosures

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

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

	2015 \$	2014 \$
Related party transactions:		
The following transactions occurred with related parties:		
Payment for goods and services:		
- Payment for services from associates	17,680.00	18,310.00
Shareholdings		
Number of shares held by Directors:	33,596.00	33,596.00

Note 18. Events occurring after the balance sheet date

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

Note 19. Contingent liabilities

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

Note 20. Segment reporting

The economic entity operates in the service sector where it facilitates **Community Bank** services in Mareeba and Dimbulah, Queensland pursuant to a franchise agreement with Bendigo and Adelaide Bank Limited.

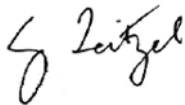
Directors' declaration

The Directors of the company declare that:

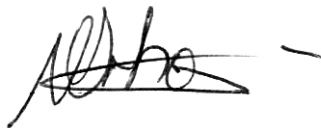
1. the financial statements and notes are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards Reduced Disclosure Requirements and the Corporations Regulations;
and
 - (b) give a true and fair view of the company's financial position as at 30 June 2015 and of its performance for the year ended on that date;
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.

The Directors are responsible for the reliability, accuracy and completeness of the accounting records and the disclosure of all material and relevant information.

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



Gilbert J Teitzel
Director



Natasha Srhoj
Director

Dated: 21 September 2015

Independent audit report



Tax • Accounting • Audit
Suite 23/25 Grafton Street Cairns Qld 4870
PO Box 5145 Cairns Qld 4870
Ph: 07 40 318 046 Fax: 07 40 518 713
www.cairnsqualityaccounting.com.au

INDEPENDENT AUDIT REPORT

Independent Auditor's Report

To the members of Mareeba and Dimbulah Financial Services Ltd

Report on the Financial Report

We have audited the accompanying financial report of Mareeba and Dimbulah Financial Services Ltd which comprises the statement of Profit or Loss and other comprehensive income for the year ended 30 June 2015, statement of financial position as at 30 June 2015, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

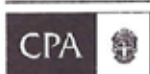
The Directors of the entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

An audit involves performing procedures to obtain 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 entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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



Cairns Quality Accounting is a CPA Practice

megan@cairnsqualityaccounting.com.au admin@cairnsqualityaccounting.com.au
Megan O'Neill Pty Ltd ATF the O'Neill Discretionary Trust TA Cairns Quality Accounting ABN 48 471 713 261
Megan O'Neill FCPA, Registered Company Auditor, MPA Cdec
Liability limited by a scheme approved under Professional Standards Legislation

Independent audit report (continued)

INDEPENDENT AUDITOR'S REPORT continued

Independence

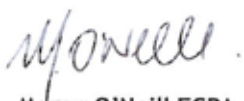
In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*, Australian professional accounting bodies and others.

Auditor's Opinion

In our opinion

- (a) The financial report of Mareeba & Dimbulah Financial Services Limited is in accordance with the *Corporations Act 2001* including:
 - (i) Giving a true and fair view of the company's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
 - (ii) Complying with Australian Accounting Standards Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Cairns Quality Accounting



Megan O'Neill FCPA
Registered Company Auditor #419579
Cairns Quality Accounting

Signed at Cairns on 21 September 2015

Mareeba **Community Bank**[®] Branch
94 Byrnes Street, Mareeba QLD 4880
Phone: (07) 4092 2099
www.bendigobank.com.au/mareeba

Dimbulah **Community Bank**[®] Branch
31-33 Raleigh Street, Dimbulah QLD 4872
Phone: (07) 4093 5266
www.bendigobank.com.au/dimbulah

Franchisee: Mareeba & Dimbulah Financial Services Ltd
94 Byrnes Street, Mareeba QLD 4880
ABN: 53 115 503 930

www.bendigobank.com.au
www.facebook.com/MareebaDimbulahCommunityBank
twitter.com/bendigobank
(BMPAR15120) (09/15)



bendigobank.com.au

