



Annual Report 2017

Mareeba & Dimbulah
Financial Services Limited

ABN 53 115 503 930

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

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Chairman's report

For year ending 30 June 2017

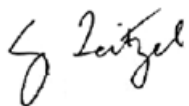
The 2016/17 financial year has been successful for both **Community Bank**[®] branches. Under the leadership of Branch Manager Stephen Gear the Mareeba **Community Bank**[®] Branch and staff members Carmel, Freda, Beverley, Nicole, Sara, Kristie-Lee and Jenni, business has exceeded budget by over two times, with total business through the branch, including Rural Bank business, exceeding \$190 million. This achievement has again been recognised for achieving an outstanding result in rural products in Australia. Similarly, Branch Manager Ann-Maree Zugno and staff of Debbie, Christine, Sally and Sheridan of the Dimbulah Branch received top awards again in Queensland and again highly ranked in all of Australia. Dimbulah **Community Bank**[®] Branch has managed to increase business by one and a half times the budget set last year, and built its business footing to about \$62 million. These results are impressive and the staff must be commended for their efforts and dedication, not only to their roles but also to the community. The Board's strategic planning bore out potentially growing the business to \$240 million, this has well and truly been surpassed with total business at 30 June 2017 standing a little over \$250 million.

Over the course of the 2016/17 year we provided a little over \$41,000 in sponsorship and \$200,000 has been set aside as contribution toward future projects in both the Community Enterprise Foundation[™] and the Australian Sports Foundation. Since the establishment of Mareeba & Dimbulah **Community Bank**[®] branches in excess of \$2.3 million has been returned to the community either by distribution of dividends to shareholders, paid or set aside through grants, donations and sponsorship of local clubs and organisations see tables one and two below. Importantly, the Board also continues to maintain a consistent dividend policy to recognise the support shown by the community to bring this company into existence and supporting this valuable business model with Bendigo and Adelaide Bank. The company has approximately \$610,000 available in the Community Enterprise Foundation[™] for future projects.

The Board continues to monitor the future profit share model (known by its acronym as FTP - Funds Transfer Pricing), which most of the other community companies are signed up to. The community company's profit share under FTP have just moved into the positive side in the last few months, and the Board has set a three monthly review timeline to re-assess the FTP model.

Our Board, the Managers and staff of both branches continue the important roles necessary to build on what has been achieved to date. All staff go above and beyond their normal weekly work duties, to provide a great relationship with the community in which we all work and live. It is certainly pleasing to witness the generous comments and feedback our staff receive.

As a Board we continue to maintain a firm focus on corporate governance and community impact with the aim of delivering on our Vision which is, "Confident of, Passionate about, Investing in our community."



Gilbert Teitzel
Chairman

Chairman's report (continued)

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
2015/2016	19 December 2015	0.07 cents	\$70,315.77
2016/2017	21 December 2016	0.07 cents	\$70,315.77
	Total	0.69 cents	\$693,112.59

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
2015/2016	\$38,425	\$195,500	\$37,747	\$271,672
2016/2017	\$41,070	\$200,000	\$32,196	\$273,266
Total	\$398,111	\$860,923	\$ 355,251	\$1,614,285

Managers' report

For year ending 30 June 2017

The Mareeba and Dimbulah **Community Bank**[®] branches continued on trend, with another successful year of growth for the business. This growth is tabled below with an overall holding of \$252.4 million for the 2016/17 financial year. Mareeba **Community Bank**[®] Branch deposit growth trended higher than in previous financial years with a percentage of this increased growth attributed to the closure of Suncorp's Mareeba branch. In such a highly competitive market the business continues to strengthen and over the past 10 years total business has increased by \$132.9 million. The 2016/17 financial year saw the highest growth to date with an increase of business holdings in excess of \$30 million and can be attributed to the dedication of the staff from both the Mareeba and Dimbulah branches and the support we receive from our Business Banking and Rural Banking Teams led by our Business Banking Manager Yadranka Keeling and our Agribusiness Relationship Manager Grant Turner.

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
2015/2016	\$221.6 million
2016/2017	\$252.4 million

The Tableland Business banking team achieved 187% of their net lending growth budget and 674% of their net deposit growth budget. This growth placed the Tableland Business banking team at number one in North Queensland and number four out of a total 24 Business banking teams across Queensland.

Growth in our Rural Bank lending and deposit portfolios continued throughout the 2016/17 financial year, with Dimbulah **Community Bank**[®] Branch achieving number five in Australia for growth in Farm Managed Deposit funds and Mareeba branch number six in Australia. Agribusiness lending continues to be the growth area of the business for the Dimbulah **Community Bank**[®] Branch and the ability for both Managers to write small Agribusiness deals further develops and strengthens our presence in this market. Mareeba and Dimbulah **Community Bank**[®] branches are supported in this role by our Agribusiness Relationship Manager Grant Turner.

It is our customers who benefit the most from the personalised and professional service offered by Grant and Yadranka across both the Agribusiness portfolio and the Business banking portfolio.

The **Community Bank**[®] branches continued their strong support of local business through our sponsorship of the Mareeba Chamber of Commerce, Mareeba and District Fruit and Vegetable Growers dinner, Mareeba Rodeo, Dimbulah Lions Festival and the Wheelbarrow Race. Staff from the **Community Bank**[®] branches attended the three-day Rotary FNQ Field Days, a significant part of supporting our Agricultural community.

Managers' report (continued)

The growth of our business enables the **Community Bank**[®] company Board to further increase their support of projects and programs in your local area. We thank you for your support and your advocacy of the **Community Bank**[®] branches will continue to play a vital role in our future growth.

We would like to acknowledge the **Community Bank**[®] company Board for their valued contribution throughout the year and the support they offer to their **Community Bank**[®] branches.



Stephen Gear
Mareeba Branch Manager



Ann-Maree Zugno
Dimbulah Branch Manager

Bendigo and Adelaide Bank report

For year ending 30 June 2017

As we approach 20 years since the first **Community Bank**[®] branch opened its doors, it's timely to reflect on the role of our network's 70,000-strong shareholders and its army of nearly 2,000 passionate local Directors.

As a group of people you are a powerful force that continues to influence change both locally and nationally.

United for a shared purpose in your communities, you are making big things happen beyond the delivery of great banking products and services; you're creating jobs, helping businesses to thrive, solving problems and achieving outcomes that will make your communities better places to live and do business.

Amongst other things, you are providing hundreds of thousands of people in communities around Australia with new opportunities to:

- Play sport in new **Community Bank**[®] funded centres.
- Continue their education thanks to a **Community Bank**[®] scholarship.
- Seek treatment in hospitals closer to home with equipment funded through a **Community Bank**[®] grant.
- Reap the environmental benefits of **Community Bank**[®] funded solar panels and LED lighting, and
- Access mental health services for teenage children with a service supported by a local **Community Bank**[®] branch.

In fact, since the model's inception your investment in local communities exceeds \$165 million and that figure continues to grow every year. This amount excludes the significant co-investment on key projects that many companies have obtained from Government and other parties.

Nationally our voices are increasingly being heard, and our collaborative approach recognised and celebrated.

Representing us all at a recent forum at Canberra's Parliament House, Bendigo Bank's Managing Director and Chairman reinforced the significance of the **Community Bank**[®] model's achievements and called for regulatory change that would help us compete in a crowded and ever-evolving banking sector. Just two months later, the Federal Government announced a levy on Australia's biggest banks that is set to re-level the playing field as we've regularly advocated for.

But for us this is more than a levy. The Turnbull Government's announcement recognises the importance of customers having access to a robust, competitive and customer-focused banking sector. On this note Bendigo Bank was recently recognised as the banking provider of choice in the annual Mozo People's Choice Awards. Better yet, out of 110 banking providers nationally, we were the only bank recognised in all eight banking categories – and were rated the leading bank in six of those eight categories.

This is an extraordinary achievement for you and our bank. Not only does it demonstrate that, in the eyes of our customers, we are doing something right – it very clearly outlines that together we can continue to achieve results.

As we've long known, the more successful our customers are, the stronger our communities become. In this regard the **Community Bank**[®] model enables these outcomes for customers and communities, as increasingly recognised by more and more Australians.

So thank you for your investment in your local **Community Bank**[®] company, for your ongoing contribution and support, tireless advocacy and continued commitment to building strong local communities. Without this, our **Community Bank**[®] branches would be just another bank.



Robert Musgrove
Executive Engagement Innovation

Directors' report

For the financial year ended 30 June 2017

Your Directors present this report on the company for the financial year ended 30 June 2017.

Directors

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 Resources Committee, Chair of Audit/Finance Committee and Strategic Planning
Name:	Gianfranco De Iacovo
Position:	Vice-Chairman
Qualifications:	Business Owner
Special Responsibilities:	Marketing & Sponsorship Committee
Name:	Cheryl Eileen Tonkin
Position:	Secretary
Qualifications:	Civil Celebrant/Auctioneer
Special Responsibilities:	Governance & Business Development Committee and Human Resources Committee
Name:	Amy Kathryn Phillips
Position:	Treasurer
Qualifications:	Senior Community Wellbeing Officer
Special Responsibilities:	Marketing & Sponsorship Committee, Audit/Finance Committee and Strategic Planning
Name:	Natasha Srhoj
Position:	Director
Qualifications:	Accounts Manager Mareeba Express
Special Responsibilities:	Marketing & Sponsorship 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:	Charles Edward Khan
Position:	Director
Qualifications:	Ambulance Officer
Special Responsibilities:	Marketing & Sponsorship Committee

Directors' report (continued)

Name:	Chris Gillies [ceased: 21/12/2016]
Position:	Director
Qualifications:	Computer Technician
Special Responsibilities:	Marketing & Sponsorship Committee, Governance & Business Development Committee and Strategic Planning

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 and share registry 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 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 2017 \$	Year ended 30 June 2016 \$
166,340.99	111,803.68

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), with a 27.5% franking credit, referred to in the previous Directors' report dated 31 December 2016, was paid on 21 December 2016.

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.

Directors' report (continued)

Indemnification and insurance of Directors and Officers

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

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

A copy of the Auditor's independence declaration as required under section 307C of the Corporations Act 2001 has been included on page 10 of this Financial Report and forms part of this Directors Report.

Directors' meetings

During the year ten (10) Directors' meetings were held. Attendances by each Director during the year were:

Name of Director	Number Eligible to Attend	Number Attended
Gilbert J Teitzel	10	8
Gianfranco De Iacovo	10	9
Cheryl E Tonkin	10	7
Amy K Phillips	10	7
Natasha Srhoj	10	7
Graeme E Ford	10	9
Charles E Khan	10	4
Chris Gillies	5	4

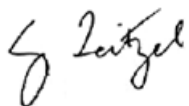
Proceedings on behalf of company

No person has applied for leave of Court under section 237 of the Corporations Act 2001 for leave to bring any part of those 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.

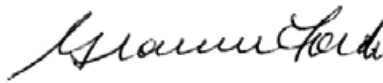
Auditors independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the Corporations Act 2001 has been included.

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



Gilbert J Teitzel
Director



Graeme E Ford
Director

Dated: 20 September 2017

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 2017 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: 20.09.17

Financial statements

Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2017

	Notes	2017 \$	2016 \$
Revenue from ordinary activities	4	1,756,739.93	1,658,623.10
Gross profit		1,756,739.93	1,658,623.10
Administration and general costs		-198,827.87	-198,625.57
Employment secondment expenses		-827,567.03	-812,956.79
ATM expense		-17,469.19	-17,282.05
Depreciation and amortisation expenses		-62,546.40	-62,150.78
IT leasing and running costs		-40,570.23	-43,445.68
Occupancy costs		-117,305.63	-109,858.89
Marketing Development Fund expenses		-64,917.39	-64,434.63
Grants and donations		-200,000.00	-195,500.00
Profit before income tax		227,536.19	154,368.71
Income tax attributable to operation profit(loss)	5	61,195.20	42,565.03
Operating profit after income tax		166,340.99	111,803.68
Total comprehensive income for the year		166,340.99	111,803.68
Earnings per share (cents per share)		¢	¢
- basic profit for the year		16.56	11.13

The accompanying notes form part of these financial statements.

Financial statements (continued)

Statement of Financial Position as at 30 June 2017

	Notes	2017 \$	2016 \$
Assets			
Current assets			
Cash and cash equivalents	7	775,704.79	619,207.10
Trade and other receivables	8	162,378.91	154,278.81
Other assets	9	5,008.40	4,950.90
Total current assets		943,092.10	778,436.81
Non-current assets			
Receivables	8	10,750.00	14,750.00
Property, plant and equipment	10	201,146.75	234,799.57
Intangible assets	11	284,893.42	312,005.82
Total non-current assets		496,790.17	561,555.39
Total assets		1,439,882.27	1,339,992.20
Liabilities			
Current liabilities			
Trade and other payables	12	102,813.68	89,497.89
Tax liabilities	13	25,243.26	33,829.70
Total current liabilities		128,056.94	123,327.59
Total liabilities		128,056.94	123,327.59
Net assets		1,311,825.33	1,216,664.61
Equity			
Contributed capital	14	1,004,511.00	1,004,511.00
Retained profits		307,314.33	212,153.61
Total equity		1,311,825.33	1,216,664.61

The accompanying notes form part of these financial statements.

Financial statements (continued)

Statement of Changes in Equity for the year ended 30 June 2017

	Issued capital \$	Accumulated Profit (Loss) \$	Total equity \$
Balance at 1 July 2015	1,004,511.00	170,256.41	1,174,767.41
Shares issued during year	-	-	-
Profit/(loss) attributable to the members of the company		111,803.68	111,803.68
Sub-total:	1,004,511.00	282,060.09	1,286,571.09
Adjustment re prior years		13.79	13.79
Dividends paid or provided for		-69,920.27	-69,920.27
Balance at 30 June 2016	1,004,511.00	212,153.61	1,216,664.61
Balance at 1 July 2016	1,004,511.00	212,153.61	1,216,664.61
Shares issued during year	-	-	-
Profit/(loss) attributable to the members of the company		166,340.99	166,340.99
Sub-total:	1,004,511.00	378,494.60	1,383,005.60
Dividends paid or provided for		-71,180.27	-71,180.27
Balance at 30 June 2017	1,004,511.00	307,314.33	1,311,825.33

The accompanying notes form part of these financial statements.

Financial statements (continued)

Statement of Cash Flows for the year ended 30 June 2017

	Notes	2017 \$	2016 \$
Cash flow from operating activities			
Receipts from customers		1,735,701.98	1,638,209.78
Payments to suppliers and employees		-1,464,759.04	-1,451,269.58
Interest received		13,663.32	11,602.85
Income tax paid		-59,246.03	-34,961.40
Net cash provided by (used in) operating activities (note 2)		225,360.23	163,581.65
Cash flow from investing activities			
Payment for:			
Payments for property, plant and equipment		-1,682.27	
Intangible assets			-135,562.00
Proceeds from disposal of:			
Loans to other groups or entities		4,000.00	7,000.00
Net cash provided by (used in) investing activities		2,317.73	-128,562.00
Cash flow from financing activities			
Dividends paid		-71,180.27	-69,920.27
Net cash provided by (used in) financing activities		-71,180.27	-69,920.27
Net increase (decrease) in cash held		156,497.69	-34,900.62
Cash at the beginning of the year		619,207.10	654,107.72
Cash at the end of the year (note 1)		775,704.79	619,207.10

The accompanying notes form part of these financial statements.

Financial statements (continued)

Statement of Cash Flows for the year ended 30 June 2017 (continued)

	2017 \$	2016 \$
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.		
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 - Cheque A/c [Bendigo Bank]	725,948.19	66,117.61
Bendigo Market Development Fund Account	50,138.53	52,558.09
Bendigo Business Solutions Account	-747.38	347.83
Bendigo Business Cash Mgmt Account	365.45	183.57
Term Deposit		500,000.00
	775,704.79	619,207.10

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

Operating profit (loss) after tax	166,340.99	111,803.68
Depreciation	35,434.00	37,031.00
Amortisation	27,112.40	25,119.78
Adjustment prior years		13.79
Increase/(decrease) in provision for income tax	3,326.36	9,033.76
Increase/(decrease) in future income tax benefit	-1,377.19	-1,430.13
Changes in assets and liabilities net of effects of purchases and disposals of controlled entities:		
(Increase) decrease in trade and term debtors	-8,100.10	-9,687.12
(Increase) decrease in prepayments	-57.50	15.50
Increase (decrease) in trade creditors and accruals	13,315.79	-5,325.00
Increase (decrease) in sundry provisions	-10,634.52	-2,993.61
Net cash provided by operating activities	225,360.23	163,581.65

The accompanying notes form part of these financial statements.

Notes to the financial statements

For year ended 30 June 2017

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 Limited is a for-profit entity for the purpose of preparing the financial statements

The financial statements for the year ended 30 June 2017 were approved and authorised for issue by the Board of Directors on 30 August 2017.

(B) Accounting policies

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 1 July 2016:

AASB 2014-4: Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation (issued August 2014) amends AASB 116 and AASB 138: Intangible Assets to disallow revenue-based methods of depreciation and amortisation, declaring them an inappropriate basis for measuring the consumption of economic benefits embodied in an asset. Additionally, the amendments provide guidance in the application of the diminishing balance method for property, plant and equipment. On adoption of these amendments, there has been no material impact on the transactions and balances recognised in the financial statements.

AASB 2015-2 Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 101 (issued January 2015) focuses on clarifying the presentation and disclosure requirements in AASB 101, in order to increase the scope for entities to judge how and/or what information is to be disclosed in their financial statements. On adoption of these amendments, there has been no material impact on the financial statements.

AASB 1057 Application of Australian Accounting Standards aims to revise Australian Accounting Standards that incorporate IFRSs to minimise Australian-specific working. This Standard is effective from 1 January 2016. On adoption there has been no impact on the financial statements.

Recently issued or amended standards not yet effective

AASB 9 Financial Instruments (December 2014) 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 company has not elected whether to early adopt this standard at this point in time.

When applicable, AASB 16 Leases (issued February 2016) will supersede the existing lease accounting requirements in AASB 117: Leases and the related Interpretations. This standard will be effective from 1 January 2019. The company is yet to undertake a detailed assessment of the impact of AASB 16.

AASB 2016-1 Amendments to Australian Accounting Standards - Recognition of Deferred Tax Assets for Unrealised Losses (issued February 2016) makes amendments to AASB 112: Income Taxes to clarify the requirements regarding recognition of deferred tax assets arising on account of unrealised losses on debt instruments measured at fair value. When these amendments are first adopted for the financial year ending 30 June 2018, there will be no material impact on the financial statements.

Notes to the financial statements (continued)

Note 1. Statement of significant accounting policies (continued)

(B) Accounting policies (continued)

Recently issued or amended standards not yet effective (continued)

AASB 2016-2: Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 107 (issued March 2016) makes amendments to AASB 107: Statement of Cash Flows to require an entity to additionally disclose the details regarding movement in the liabilities that arise from financing activities by way of reconciliation in the statement of financial position. Such reconciliation shall be accompanied with sufficient information to enable users of the financial statements to link items included in the reconciliation to the statement of financial position and statement of cash flows. When these amendments are first adopted for the financial year ending 30 June 2018, there will be no material impact on the financial statements.

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:

- 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.

Notes to the financial statements (continued)

Note 1. Statement of significant accounting policies (continued)

Summary of accounting policies (continued)

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.

Income tax

Current tax

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

Deferred tax

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and 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 taxable income or accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Notes to the financial statements (continued)

Note 1. Statement of significant accounting policies (continued)

Summary of accounting policies (continued)

Income tax (continued)

Deferred tax (continued)

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 personal leave. Any provision for employee entitlements are accrued by Bendigo and Adelaide Bank Limited.

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.

Notes to the financial statements (continued)

Note 1. Statement of significant accounting policies (continued)

Summary of accounting policies (continued)

Property, plant and equipment (continued)

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 and 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 risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to Mareeba & Dimbulah Financial Services Limited are classified as finance leases.

Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that Mareeba & Dimbulah Financial Services Limited will obtain ownership of the asset or over the term of the lease. Lease payments under operating leases, where substantially all the risks and benefits remain with the leaser, 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

Provision are recognised when Mareeba & Dimbulah Financial Services Limited has a legal or constructive obligation, as a result of past events, for which it is probable that the outflow of economic benefit will result and that the outflow can be measured reliably.

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.

Notes to the financial statements (continued)

Note 1. Statement of significant accounting policies (continued)

Summary of accounting policies (continued)

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 cash flow statement on a net basis (after GST), 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.

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

The distribution limit is the greater of:

- a) 20% of the profit or funds of the franchisee otherwise available for distribution to shareholders in that 12 month period; and
- b) subject to the availability of distributable profits, the relevant rate of return multiplied by the average level of share capital of the franchisee over that 12 month period.

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 2017 can be seen in the Statement of Profit or Loss and Other Comprehensive Income.

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

Notes to the financial statements (continued)

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 unrecouped 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, operation 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.

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.

Notes to the financial statements (continued)

Note 3. Critical accounting estimates and judgements (continued)

Impairment of assets (continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in 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.

	2017 \$	2016 \$
Note 4. Revenue from ordinary activities		
Operating activities:		
Gross margin	1,133,087.87	1,013,364.15
Upfront product commission	48,657.99	52,017.67
Trailer product commission	366,527.95	330,138.44
Fee income	147,302.89	153,166.56
Market Development Fund	47,499.91	98,333.43
Total revenue from operating activities	1,743,076.61	1,647,020.25
Non-operating activities:		
Interest revenue	13,663.32	11,602.85
Total revenue from non-operating activities	13,663.32	11,602.85
Total revenue from ordinary activities	1,756,739.93	1,658,623.10

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	227,536.19	154,368.71
Prima facie income tax	62,572.40	43,995.16
Add tax effect of:		
- Prepaid insurance	-1,377.19	-1,430.12
Income tax expense/(revenue)	61,195.20	42,565.03
Income tax expense attributable to profit from ordinary activities	61,195.20	42,565.03
The applicable weighted average effective tax rates are as follows (%):	26.89	27.57

Notes to the financial statements (continued)

	2017 \$	2016 \$
Note 6. Dividends		
Dividends provided for or paid	71,180.27	69,920.27
	71,180.27	69,920.27

On 21 December 2016 dividend payments of \$70,315.77 were made. \$45.50 of these that were initially rejected remain outstanding and \$910 were paid twice and are in the process of being recovered.

Note 7. Cash and cash equivalents

Bank accounts:

Bendigo Cheque Account	725,948.19	66,117.61
Bendigo Market Development Fund Account	50,138.53	52,558.09
Bendigo Business Solutions Account	-747.38	347.83
Bendigo Business Cash Management Account	365.45	183.57
Other cash items:		
Bendigo Term Deposit		500,000.00
	775,704.79	619,207.10

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	776,452.17	619,207.10
- Bank overdrafts	-747.38	
	775,704.79	619,207.10

Note 8. Trade and other receivables

Current

Trade debtors	162,346.93	154,234.84
Refundable deposits	31.98	43.97
	162,378.91	154,278.81

Non-current

Amounts receivable from

- Loan: Mareeba Golf Club Inc	10,750.00	14,750.00
	10,750.00	14,750.00

The terms of this loan have been negotiated to allow more time for the Mareeba Golf Club Inc to repay the loan.

Notes to the financial statements (continued)

	2017 \$	2016 \$
Note 9. Other assets		
Current		
Prepayments	5,008.40	4,950.90
	5,008.40	4,950.90

Note 10. Property, plant and equipment

Leasehold improvements:

- At cost	532,637.06	533,797.97
- Less: Accumulated depreciation	-333,377.45	-299,290.36
	199,259.61	234,507.61

Plant and equipment:

- At cost	13,027.14	10,183.96
- Less: Accumulated depreciation	-11,140.00	-9,892.00
	1,887.14	291.96

Total written down amount	201,146.75	234,799.57
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Note 11. Intangible assets

Start-up costs:

- At cost	170,000.00	170,000.00
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Franchise fees:

- At cost	65,734.00	65,734.00
- Less: Accumulated amortisation	-29,918.18	-25,399.38
	35,815.82	40,334.62

Renewal Process fees:

- At cost	228,674.00	228,674.00
- Less: Accumulated amortisation	-149,596.40	-127,002.80
	79,077.60	101,671.20

Total written down amount	284,893.42	312,005.82
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Note 12. Trade and other payables

Unsecured:

- Trade creditors	102,813.68	89,497.89
	102,813.68	89,497.89

Notes to the financial statements (continued)

	2017 \$	2016 \$
Note 13. Tax liabilities		
Current		
GST payable control account	30,043.48	28,787.65
Input tax credit control account	-36,215.50	-24,338.94
Provision for income tax	31,527.95	28,116.47
Deferred tax assets	-112.67	1,264.52
	25,243.26	33,829.70

Note 14. Contributed capital

1,004,511 Ordinary shares at \$1.00 each fully paid	1,004,511.00	1,004,511.00
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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®** branches 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.

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

Notes to the financial statements (continued)

Note 14. Contributed capital (continued)

Rights attached to shares (continued)

Transfer (continued)

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 515 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 Board may cause considerable disadvantage to individual shareholders, but that such a result may be necessary to enforce the prohibition.

	2017	2016
	\$	\$

Note 15. Leases

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

Payable - minimum lease payments (subject to market reviews and CPI):

- not later than 12 months	74,743.39	53,502.90
- between 12 months and 5 years	322,079.17	284,054.16

The Mareeba property lease is a non-cancellable lease. An option was taken up with a five year term, due to expire on 30 November 2020, with rent payable monthly in advance. There remains one five year option 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 second five year option was taken up, commencing on 1 December 2015 and will be due to expire on 30 November 2020 with no further options to renew.

Notes to the financial statements (continued)

Note 16. 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.

Related party transactions

The following transactions occurred with related parties:

	2017	2016
	\$	\$
- Payment for services from associates	15,730.00	16,980.00

Shareholdings

Number of shares held by Directors	36,094	33,596
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Note 17. 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 18. Contingent liabilities

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

Note 19. 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.

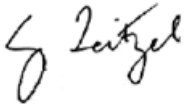
Directors' declaration

The Directors of the company declare that:

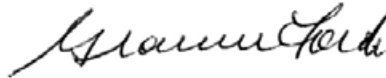
1. the financial statements and notes are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards Reduced Disclosure Requirements and the Corporations Regulations; and
 - (b) give a true and fair view of the company's financial position as at 30 June 2017 and of its 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



Graeme E Ford
Director

Dated: 20 September 2017

Independent audit report



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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 2017, statement of financial position as at 30 June 2017, 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

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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 2017 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 20 September 2017

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