



# Annual Report 2014

Mission Beach  
Community Enterprises Ltd

ABN 15 129 575 560

Mission Beach **Community Bank**<sup>®</sup> Branch

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# Chairman's report

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For year ending 30 June 2014

It has been both an exciting and challenging year for our **Community Bank**<sup>®</sup> branch.

I heartily congratulate my fellow Board members and branch staff for continuing to grow our company throughout what continue to be very difficult economic times.

Our business has expanded to the extent from having a banking book of \$36.555 million as at the end of the financial year in 2013, we have increased our business to \$45.462 as at 30 June 2014.

This has been achieved notwithstanding a stagnating economy in which interest rates continue to remain at record low levels. Such economic circumstances continue to put incredible strains on the margins which are our principle source of income and as they improve will move us into profitability.

As at the end of this financial year it has eluded us but we are frustratingly close to becoming profitable and I will certainly update shareholders on this topic at our Annual General Meeting on the 6 November.

Suffice to say our growth continues well ahead of budget predictions and economic trends in general and based on this I am confident that as we move into 2014/15 our business will continue to grow.

We are only as good as our shareholders and we thank you for your loyalty and patience. Our contributions to the community we confirm are made possible as a result of the Market Development Funding made available to us by our Franchise Partner Bendigo and Adelaide Bank. Those funds are not in any way associated with our company's income per se, and as such do not affect the company's ability or otherwise to pay a dividend to shareholders, which is always the Board's intent at the appropriate time once the company moves into profit, now so close.

My thanks once again to my fellow Board members, and Evelyn, Angela, Jodi and Di at the Branch for their wonderful support and efforts in making our **Community Bank**<sup>®</sup> branch a community hub as Mission Beach continues to move forward.



**Tony Lee**  
**Chairman**

# Manager's report

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For year ending 30 June 2014

It is with much pleasure I deliver my Manager's Report for the financial year ending 30 June 2014. It has been an interesting and rewarding year. I have been the Manager at the Mission Beach **Community Bank**<sup>®</sup> Branch now for just over 12 months and my team and I have certainly embraced the community commitment and have no doubt this focus has contributed to our fantastic result.

Mission Beach **Community Bank**<sup>®</sup> Branch is your Bank. Our branding **Bigger than a bank** is ensuring we make Mission Beach a better place to live due to our commitment within the community. Throughout the year our dedicated staff and Board of Directors have continued to assist with local events in their own time and feel great pride when we are able to partner with local community groups such as Rotary, Banana Festival, St Clair's Fete, Silkwood P&C, Mission Arts, Mission Beach Sailing Club and many more.

During the year we were presented with a number of challenges, however managed to overcome these challenges and deliver growth for the branch of just under \$10 million for the financial year, this being a 20% increase in our footings, from June 2013, a fantastic result.

Although Cyclone Yasi has disappeared in the distance, we still remain in a tight margin environment within the lending and deposit space, however getting closer to profitability each and every month.

With the continued support of our shareholders, our Board of Directors, and our dedicated staff, I believe the trend will continue to grow.

My aim is to continue to guide and develop my team to help us create stronger connections with our existing customers and continue to encourage new customers by having their financial needs met. By having genuine conversations, along with availability to a full suite of banking products, I am confident that we will achieve their financial goals and aspirations.

Our **Community Bank**<sup>®</sup> story is growing and I urge all shareholders and customers to fully support the branch and spread the word. The branch is now on the cusp of moving into profit and we should see this at some point during 2014/15 financial year.



**Evelyn Swarbrick**  
**Branch Manager**

# Treasurer's report

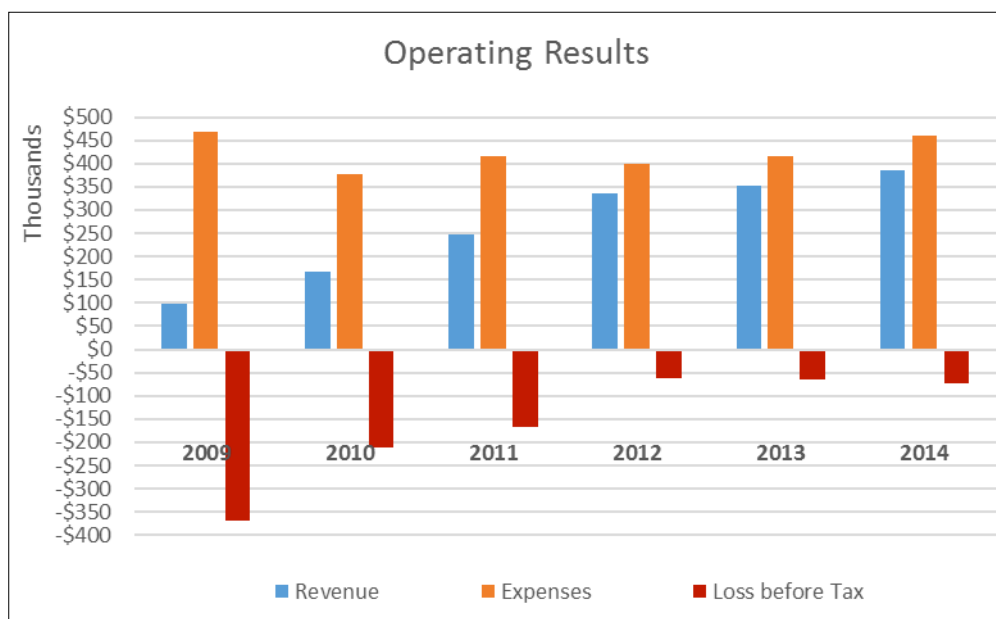
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For year ending 30 June 2014

As the Treasurer of our company I consider it important to clarify the results our company achieved over the last 12 months, explain the financial strategy the Board is undertaking and recognise the position our company is now at.

From our pre-tax operating loss of \$73,295 for the year ending 30 June 2014 I would highlight that our revenues have risen to \$385,539 (2013 - \$352,182, 2012 - \$336,521) while operating costs excluding marketing and sponsorships have increased to \$425,153 (2013 - \$389,478, 2012 - \$393,325). At the same time you should note discretionary costs on marketing and sponsorships have increased to \$33,681 (2013 - \$27,081, 2012 - \$6,415). These results are in accordance with the growth strategies of our Board and should be measured against a footings growth of 30% to \$47.2 million (2013 \$36.3 million, 2012 \$34 million) for this same period.

At the last Annual General Meeting (AGM) the Board detailed the necessity for continued growth in our business to achieve profitability. The base logic behind this is that as our business operates in one of the most regulated industries in Australia, in banking, there is a high amount of operating costs which we cannot cut. From the graph below you will note how the costs of our operations since inception have remained relatively constant as our revenue has slowly climbed to meet it. Currently the fixed costs of our operations sit between \$35-36,000 per month.



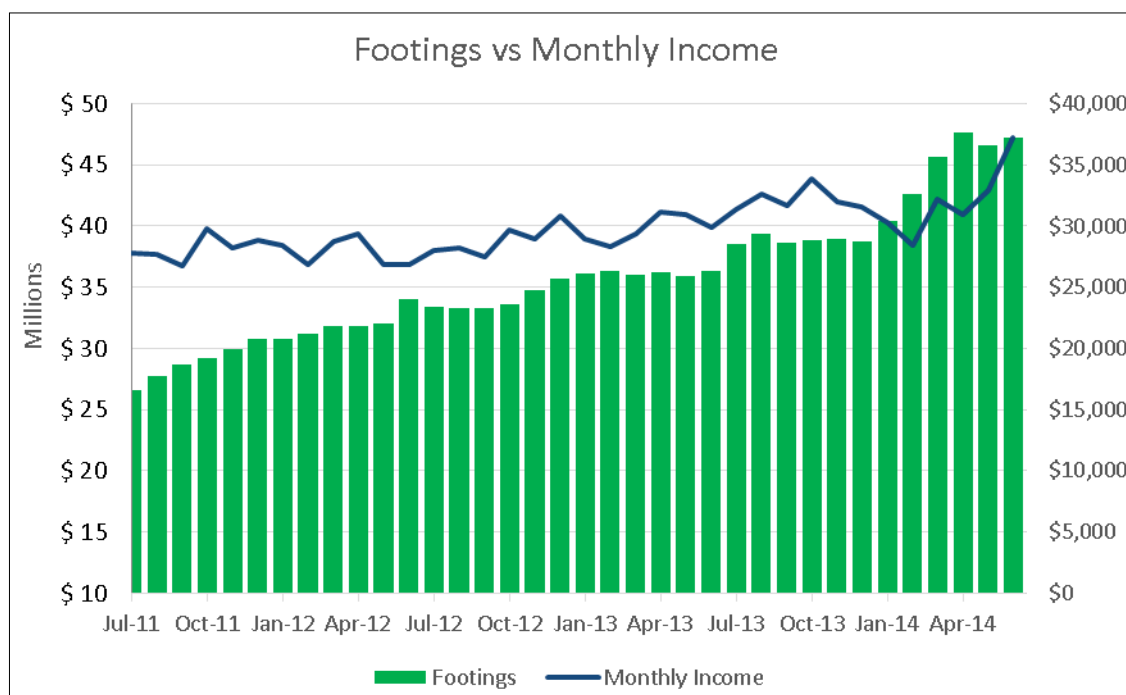
To advance the company towards profit we must therefore look at the alternative of increasing our income.

As noted above with the rise in discretionary outlays, one of the key strategies undertaken over the last year to grow this income has involved promotion. Being a **Community Bank**<sup>®</sup> branch we have turned to our community and started using our Marketing Development Funds from Bendigo and Adelaide Bank to enter into strategic partnerships which not only support our community groups but put partnership arrangements in place to promote our business through them.

I am pleased to say that the fruits of these growth strategies are now bearing.

## Treasurer's report (continued)

In the graph below you will note the breakeven point of monthly income was achieved in June 2014. Further, the unaudited results of July and August 2014 show this has now been achieved for three consecutive months.



On the back of continued footings growth and an upturn in revenue yield on these footings we believe the financial battle of raising our income above our operating costs is being won.

While the Board is aware of the threshold we are now crossing, it recognises the importance of consolidating our financial position over this next twelve months in order that we can create and sustain a profitable company to the benefit of our shareholders and community.

**Christopher Norton FCA M.Com B.Bus**  
**Treasurer**

# Regional Manager's report

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For year ending 30 June 2014

As the Regional Manager of Bendigo and Adelaide Bank, it gives me much pleasure on providing an update on the Cairns and Cassowary Coast region. For nearly five years now, I have watched the development of the Mission Beach **Community Bank**<sup>®</sup> Branch grow and have witnessed the support that has been given and provided to the local community.

At Bendigo and Adelaide Bank, our brand promise is to be **Bigger than a bank** for our customers and communities. I truly believe that we are providing prosperity to communities right across the nation. In fact, the **Community Bank**<sup>®</sup> network has delivered over \$120 million to community groups and not for profit clubs.

Bendigo and Adelaide Bank has revolutionised Australia's banking system and have provided local communities (just like Mission Beach) with a unique opportunity to leverage the financial power of their community to the benefit of all.

The success of the **Community Bank**<sup>®</sup> model is testament to the effort and dedication of the communities that operate and support the process

Mission Beach **Community Bank**<sup>®</sup> Branch is being led by one of the most experienced Branch Managers we have in the state and I have full confidence that Evelyn and her team will do every thing possible to continue to grow the business and support your local community for many years to come.

Each year, Bendigo and Adelaide Bank conducts customer satisfaction surveys on all retail branches. As the leader of the region, I was overjoyed that our region was ranked number one in Australia for the survey conducted in early 2014. Mission Beach **Community Bank**<sup>®</sup> Branch was ranked number two in the region and number 11 in the nation. This is a true reflection to Evelyn and her team's commitment to serving the local community.

I would like to take this opportunity to openly acknowledge the work that is completed behind the scenes by the Chairman of the **Community Bank**<sup>®</sup> Branch, Tony Lee and his dedicated volunteer Board of Directors. As the Regional Manager, I consider myself very lucky to have an open business relationship with the Board and I believe their skill set compliments their commitment to enhancing your community.

Congratulations to the Directors and staff for your continued efforts and I again applaud our share holders and customers that have continued to support this business.



**Ross Growcott**  
**Regional Manager**  
**Bendigo and Adelaide Bank**  
**Cairns and Cassowary Coast Region**

# Bendigo and Adelaide Bank report

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For year ending 30 June 2014

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

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

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

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

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

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

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

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

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



# Bendigo and Adelaide Bank report (continued)

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

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

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

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

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

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

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

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

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



**Robert Musgrove**  
**Executive Community Engagement**

# Directors' report

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For the financial year ended 30 June 2014

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

## Directors

The following persons were Directors of Mission Beach Community Enterprises Limited during or since the end of the financial year up to the date of this report:

Name and position held	Qualifications	Experience and other Directorships
<b>Debbie Brittain</b> Director Appointed February 2008	Masters Health Services Management	27 years in the health industry; owner/operator of local restaurant for 7 years; Secretary of Beachtown Body Corporate Committee 5 years; 7 years real estate experience; currently working as a legal Secretary.
<b>Christopher Norton</b> Director Appointed October 2011	Chartered Accountant	20 years public accounting experience in Australia and England. Specialising in tax and business consulting to primary producers, small & medium size enterprises assisting them with strategies to promote success.
<b>Helen Vasta</b> Director Appointed October 2011 Resigned November 2013	Bachelor Commerce Accounting Major	Worked Commonwealth Bank 13 years; extensive community fundraising; worked for NAB; operates family business as Harvesting Contractors; partner Stewart & Associates Accounting Practice.
<b>Anthony Lee</b> Director Appointed October 2011	Solicitor & Mediator	Involved in the Local Marine Advisory Committee; (under GBRMPA); Mission Beach Seabed Watch Inc; the Coast Guard, and is a founding Director of Mission Beach Harbour Pty Ltd.
<b>Tania Steele</b> Director Appointed December 2013	Real Estate Agent	Tania has been intimately involved in the property and tourism industry for over 10 years and currently holds a high profile position in today's market with real estate company "Tropical Property".
<b>Michelle Dore</b> Director Appointed November 2012	Hairdresser	Opened her own salon at 22 years of age; experience with both Stefan and Headmaster Franchises in England & Australia; family focussed and committed to community growth. Operates her own salon at present.

# Directors' report (continued)

## Directors (continued)

Name and position held	Qualifications	Experience and other Directorships
<b>Steve Oliver</b> Director Appointed November 2012 Resigned April 2014	Travel Agent and Management Consultant	30 year career in travel and tourism throughout the UK, USA & Australian corporate industries. Managed own Consultancy business liaising with senior corporate firms world-wide.
<b>Jennifer Downs</b> Director Appointed March 2013	Training and Development Specialist HR Qualifications	Over 30 years in Training & Development in various industries in Qld. Completed a four year term with the Cassowary Coast Council as Councillor in 2012. Was founding president of local Business Women's Network.
<b>Cosimo Tedesco</b> Director Appointed March 2013	Retired Business Owner	Background in maintenance in various organisations in Australia, specialising in welding & drafting. Started his own business as a steel fabricator in 1974 & expanded across the region.

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

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

### Principal activities

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

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

### Review of operations

The loss of the company for the financial year after provision for income tax was \$48,876 (2013 loss: \$44,589), which is a 9.6% increase as compared with the previous year.

The net assets of the company have decreased to \$170,748 (2013: \$219,624). The decrease is largely due to the increase in the Bank Overdraft.

### Dividends

No dividends were declared or paid during the year.

### Significant changes in the state of affairs

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

### Events subsequent to reporting date

No matters or circumstances have arisen since the end of the financial year that significantly affect or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company, in future financial years.

# Directors' report (continued)

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## Remuneration report

### Remuneration policy

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

### Remuneration benefits and payments

Other than detailed below, no Director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company, controlled entity or related body corporate with a Director, a firm which a Director is a member or an entity in which a Director has a substantial financial interest. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by Directors shown in the company's accounts, or the fixed salary of a full-time employee of the company, controlled entity or related body corporate.

Mission Beach Community Enterprises Limited has accepted the Bendigo and Adelaide Bank Limited's **Community Bank**<sup>®</sup> Directors Privileges package. The package is available to all Directors who can elect to avail themselves of the benefits based on their personal banking with the branch. There is no requirement to own Bendigo and Adelaide Bank Limited shares and there is no qualification period to qualify to utilise the benefits. The package mirrors the benefits currently available to Bendigo and Adelaide Bank Limited shareholders. The Directors have estimated the total benefits received from the Directors Privilege Package to be \$nil for the year ended 30 June 2014.

### **Indemnifying Officers or Auditor**

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

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

### **Directors' meetings**

The number of Directors' meetings held during the year were 11. Attendances by each Director during the year were as follows:

<b>Director</b>	<b>Board meetings #</b>
Debbie Brittain	10 (11)
Christopher Norton	11 (11)
Helen Vasta	3 (5)
Anthony Lee	11 (11)
Tania Steele	6 (6)
Michelle Dore	8 (11)
Steve Oliver	8 (9)

# Directors' report (continued)

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## Directors' meetings (continued)

Director	Board meetings #
Jennifer Downs	9 (11)
Cosimo Tedesco	3 (11)

# The first number is the meetings attended while in brackets is the number of meetings eligible to attend.

## Likely developments

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

## Environmental regulations

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

## Proceedings on behalf of company

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

## Company Secretary

Debbie Lee Brittain has been the Company Secretary of Mission Beach Community Enterprises Limited since November 2012. Debbie has a Masters degree in Health Services Management and has 27 years experience in the health industry (including 6 years as Chief Executive Officer for a rural health service, and 10 years in senior health services management positions). In other roles, Debbie was a restauranter in Mission Beach for 7 years, Secretary of Beachtown Body Corporate Committee for 5 years, sales coordinator in Real Estate business for 7 years, and currently works for a local legal firm in a secretarial capacity.

## Non audit services

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

- all non audit services are reviewed and approved by the Audit Committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the Auditor; and
- the nature of the services provided does not compromise the general principles relating to Auditor independence in accordance with APES 110 "Code of Ethics for Professional Accountants" set by the Accounting Professional and Ethical Standards Board.

## Directors' report (continued)

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### **Auditor independence declaration**

A copy of the Auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set at page 14 of this financial report. No Officer of the company is or has been a partner of the Auditor of the company.

Signed in accordance with a resolution of the Board of Directors at Mission Beach on 16 September 2014.



**Anthony Trevor Lee**  
**Director**

# Auditor's independence declaration

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Level 2, 10-16 Forest Street  
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www.rsdadvisors.com.au

16 September 2014

The Directors  
Mission Beach Community Enterprises Limited  
Shop 5, 34-40 Dickinson St  
Wongaling Beach QLD 4852

Dear Directors,

To the Directors of Mission Beach Community Enterprises Limited

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

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

- (i) No contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) No contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'P. P. Delahunty'. The signature is fluid and cursive, with a large loop at the end.

**P. P. Delahunty**  
**Partner**  
**Richmond Sinnott & Delahunty**

# Financial statements

## Statement of profit or loss and Other Comprehensive Income for the year ended 30 June 2014

	Note	2014 \$	2013 \$
Revenue	2	385,539	352,182
Employee benefits expense	3	(235,478)	(214,985)
Depreciation and amortisation expense	3	(25,434)	(12,724)
Finance costs	3	(10,118)	(7,381)
Bad and doubtful debts expense	3	(812)	(10)
Rental expense		(34,684)	(45,413)
Other expenses		(134,536)	(115,011)
<b>Operating profit/(loss) before charitable donations &amp; sponsorships</b>		<b>(55,523)</b>	<b>(43,342)</b>
Charitable donations and sponsorships		(17,772)	(21,035)
<b>Profit/(loss) before income tax expense</b>		<b>(73,295)</b>	<b>(64,377)</b>
Tax expense/(benefit)	4	(24,419)	(19,788)
<b>Profit/(loss) for the year</b>		<b>(48,876)</b>	<b>(44,589)</b>
Other comprehensive income		-	-
<b>Total comprehensive income</b>		<b>(48,876)</b>	<b>(44,589)</b>
Profit/(loss) attributable to members of the company		(48,876)	(44,589)
<b>Total comprehensive income attributable to members of the company</b>		<b>(48,876)</b>	<b>(44,589)</b>
<b>Earnings per share (cents per share)</b>			
- basic for profit/(loss) for the year	21	(5.59)	(5.10)
- diluted for profit/(loss) for the year	21	(5.59)	(5.10)

The accompanying notes form part of these financial statements.



# Financial statements (continued)

## Statement of financial position as at 30 June 2014

	Note	2014 \$	2013 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	8,074	7,536
Trade and other receivables	7	30,025	25,330
<b>Total current assets</b>		<b>38,099</b>	<b>32,866</b>
<b>Non-current assets</b>			
Property, plant and equipment	8	139,268	144,960
Deferred tax asset	4	262,889	238,470
Intangible assets	9	54,971	-
<b>Total non-current assets</b>		<b>457,128</b>	<b>383,430</b>
<b>Total assets</b>		<b>495,227</b>	<b>416,296</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Borrowings	10	237,956	181,217
Trade and other payables	11	81,067	11,061
Provisions	12	5,456	4,394
<b>Total current liabilities</b>		<b>324,479</b>	<b>196,672</b>
<b>Total liabilities</b>		<b>324,479</b>	<b>196,672</b>
<b>Net assets</b>		<b>170,748</b>	<b>219,624</b>
<b>Equity</b>			
Issued capital	13	856,704	856,704
Retained earnings/(accumulated losses)	14	(685,956)	(637,080)
<b>Total equity</b>		<b>170,748</b>	<b>219,624</b>

The accompanying notes form part of these financial statements.

## Financial statements (continued)

### Statement of changes in equity for the year ended 30 June 2014

	Note	Issued capital \$	Retained earnings \$	Total equity \$
<b>Balance at 1 July 2012</b>		<b>856,704</b>	<b>(592,491)</b>	<b>264,213</b>
Total comprehensive income for the year		-	(44,589)	(44,589)
Transactions with owners, in their capacity as owners				
Shares issued during the year		-	-	-
Dividends paid or provided	22	-	-	-
<b>Balance at 30 June 2013</b>		<b>856,704</b>	<b>(637,080)</b>	<b>219,624</b>
<b>Balance at 1 July 2013</b>		<b>856,704</b>	<b>(637,080)</b>	<b>219,624</b>
Total comprehensive income for the year		-	(48,876)	(48,876)
Transactions with owners, in their capacity as owners				
Shares issued during the year		-	-	-
Dividends paid or provided	22	-	-	-
<b>Balance at 30 June 2014</b>		<b>856,704</b>	<b>(685,956)</b>	<b>170,748</b>

The accompanying notes form part of these financial statements.

# Financial statements (continued)

## Statement of cash flows for the year ended 30 June 2014

	Note	2014 \$	2013 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		375,667	350,090
Payments to suppliers and employees		(404,686)	(411,697)
Interest paid		(10,117)	(7,381)
Interest received		502	435
<b>Net cash provided by/(used in) operating activities</b>	<b>15b</b>	<b>(38,634)</b>	<b>(68,553)</b>
<b>Cash flows from investing activities</b>			
Purchase of intangible assets		(11,567)	-
Purchase of property, plant & equipment		(6,000)	-
<b>Net cash flows from/(used in) investing activities</b>		<b>(17,567)</b>	<b>-</b>
<b>Cash flows from financing activities</b>			
Dividends paid		-	-
<b>Net cash provided by/(used in) financing activities</b>		<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash held</b>		<b>(56,201)</b>	<b>(68,553)</b>
Cash and cash equivalents at beginning of financial year		(173,681)	(105,128)
<b>Cash and cash equivalents at end of financial year</b>	<b>15a</b>	<b>(229,882)</b>	<b>(173,681)</b>

The accompanying notes form part of these financial statements.

# Notes to the financial statements

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For year ended 30 June 2014

These financial statements and notes represent those of Mission Beach Community Enterprises Limited.

Mission Beach Community Enterprises Limited ('the company') is a company limited by shares, incorporated and domiciled in Australia.

The financial statements were authorised for issue by the Directors on 16 September 2014.

## Note 1. Summary of significant accounting policies

### (a) Basis of preparation

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

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

#### Economic dependency

The company has entered into a franchise agreement with Bendigo and Adelaide Bank Limited that governs the management of the **Community Bank**<sup>®</sup> branches at Mission Beach.

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**<sup>®</sup> branches on behalf of Bendigo and Adelaide Bank Limited, however all transactions with customers conducted through the **Community Bank**<sup>®</sup> 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**<sup>®</sup> branch franchise operations. It also continues to provide ongoing management and operational support, and other assistance and guidance in relation to all aspects of the franchise operation, including advice in relation to:

- Advice and assistance in relation to the design, layout and fit out of the **Community Bank**<sup>®</sup> branch;
- Training for the Branch Managers and other employees in banking, management systems and interface protocol;

# Notes to the financial statements (continued)

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

### **a) Basis of preparation (continued)**

#### Economic dependency (continued)

- Methods and procedures for the sale of products and provision of services;
- Security and cash logistic controls;
- Calculation of company revenue and payment of many operating and administrative expenses;
- The formulation and implementation of advertising and promotional programs; and
- Sale techniques and proper customer relations.

#### Going concern

The net assets of the company as at 30 June 2014 were \$170,748 and the loss made for the year was \$48,876, bringing accumulated losses to \$685,956.

The company meets its day to day working capital requirements through an overdraft facility that is due for renewal on 30 September 2015. The overdraft has an approved limit of \$350,000 and was drawn to \$237,956 as at 30 June 2014.

The company recognises that losses will be incurred during the development of the business and while market access is being developed within the district. The Directors will continue to review their growth forecast budget and cash flows throughout the 2014/15 year, and measure to preserve cash and secure additional finance, these circumstances create material uncertainties over future trading results and cash flow.

Bendigo and Adelaide Bank Limited has confirmed that it will continue to support the company and its operations for the 2014/15 financial year, and beyond through the provision of an overdraft facility on normal commercial terms and conditions to assist with working capital requirements. The support is provided on the basis that the company continues to fulfil its obligations under the franchise agreement and continues to work closely with Bendigo and Adelaide Bank Limited to further develop its business.

Based on the above, and after making additional enquiries, the Directors believe that it is reasonably foreseeable that the company will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial statements.

### **(b) Income tax**

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

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

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

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

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

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

# Notes to the financial statements (continued)

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

### **(c) Fair value of assets and liabilities**

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

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

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

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

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

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

### **(d) Property, plant and equipment**

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

#### Plant and equipment

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

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

#### Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

# Notes to the financial statements (continued)

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

### **(d) Property, plant and equipment (continued)**

#### Depreciation (continued)

The depreciation rates used for each class of depreciable asset are:

<b>Class of asset</b>	<b>Depreciation rate</b>
Leasehold improvements	2.5%
Plant & equipment	10 - 33.3%

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

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

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

### **(e) Impairment of assets**

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

### **(f) Goods and services tax (GST)**

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

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

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

### **(g) Employee benefits**

#### Short-term employee benefits

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

# Notes to the financial statements (continued)

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

### **(h) Intangibles**

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

### **(i) Cash and cash equivalents**

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

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

### **(j) Revenue**

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

Interest, dividend and fee revenue is recognised when earned.

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

### **(k) Trade and other receivables**

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

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

### **(l) Trade and other payables**

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

### **(m) Borrowing costs**

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

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

#### Employee benefits

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



# Notes to the financial statements (continued)

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

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

#### Employee benefits (continued)

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

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

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

#### Fair value measurement

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

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

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

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

### **(o) New accounting standards for application in future periods**

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

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

# Notes to the financial statements (continued)

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Note 1. Summary of significant accounting policies (continued)

**(o) New accounting standards for application in future periods (continued)**

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

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

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

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

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

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

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

**(p) Provisions**

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

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

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

**(q) Share capital**

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

**(r) Comparative figures**

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

**(s) Critical accounting estimates and judgements**

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

# Notes to the financial statements (continued)

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

### **(s) Critical accounting estimates and judgements (continued)**

#### Estimation of useful lives of assets

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

#### Employee benefits provision

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

#### Income tax

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

#### Impairment

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

### **(t) Financial instruments**

#### Initial recognition and measurement

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

#### Classification and subsequent measurement

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

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

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

# Notes to the financial statements (continued)

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

### **(t) Financial instruments (continued)**

#### Classification and subsequent measurement (continued)

##### (i) Loans and receivables

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

##### (ii) Financial liabilities

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

#### Impairment

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

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

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

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

#### Derecognition of financial instruments

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

## Notes to the financial statements (continued)

	2014 \$	2013 \$
<b>Note 2. Revenue and other income</b>		
Revenue		
- services commissions	385,036	351,747
	<b>385,036</b>	<b>351,747</b>
Other revenue		
- interest received	503	435
	<b>503</b>	<b>435</b>
<b>Total revenue</b>	<b>385,539</b>	<b>352,182</b>

## Note 3. Expenses

Employee benefits expense		
- wages and salaries	194,106	185,470
- superannuation costs	18,558	16,736
- other costs	22,814	12,779
	<b>235,478</b>	<b>214,985</b>
Depreciation of non-current assets:		
- plant and equipment	8,748	7,780
- leasehold improvements	2,944	2,944
Amortisation of non-current assets:		
- intangible assets	13,742	2,000
	<b>25,434</b>	<b>12,724</b>
Finance costs:		
- Interest paid	10,118	7,381
Bad debts	812	10

## Note 4. Tax expense

a. The components of tax expense/(income) comprise

- current tax expense/(income)	(21,072)	(19,313)
- deferred tax expense/(income) relating to the origination and reversal of temporary differences	(3,347)	(475)
- recoupment of prior year tax losses		
- adjustments for under/(over) provision of current income tax of previous years	-	-
	<b>(24,419)</b>	<b>(19,788)</b>

## Notes to the financial statements (continued)

	2014 \$	2013 \$
Note 4. Tax expense (continued)		
b. The prima facie tax on profit/(loss) from ordinary activities before income tax is reconciled to the income tax expense as follows:		
Prima facie tax on profit/(loss) before income tax at 30% (2013: 30%)	(23,502)	(13,377)
Add tax effect of:		
- Adjustments in respect of current income tax of previous year	-	-
- Utilisation of previously unrecognised carried forward tax losses	-	-
- Non-deductible expenses	(917)	(6,411)
<b>Current income tax expense</b>	<b>(24,419)</b>	<b>(19,788)</b>
<b>Income tax attributable to the entity</b>	<b>(24,419)</b>	<b>(19,788)</b>
The applicable weighted average effective tax rate is	33.32%	30.74%
<b>Deferred tax asset</b>		
<b>Future income tax benefits arising from tax losses are recognised at reporting date as realisation of the benefit is regarded as probable.</b>	<b>(262,889)</b>	<b>(238,470)</b>

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

### Note 5. Auditors' remuneration

Remuneration of the Auditor for:

- Audit or review of the financial report	4,400	4,150
- Taxation services	550	550
	<b>4,950</b>	<b>4,700</b>

### Note 6. Cash and cash equivalents

<b>Cash at bank and on hand</b>	<b>8,074</b>	<b>7,536</b>
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### Note 7. Trade and other receivables

#### Current

Trade debtors	27,848	18,479
Other assets	2,177	6,851
	<b>30,025</b>	<b>25,330</b>

# Notes to the financial statements (continued)

## Note 7. Trade and other receivables (continued)

### Credit risk

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

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

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

	Gross amount	Past due and impaired	Past due but not impaired			Not past due
			< 30 days	31-60 days	> 60 days	
<b>2014</b>						
Trade receivables	27,848	-	-	-	-	27,848
Other receivables	-	-	-	-	-	-
<b>Total</b>	<b>27,848</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27,848</b>
<b>2013</b>						
Trade receivables	18,479	-	-	-	-	18,479
Other receivables	-	-	-	-	-	-
<b>Total</b>	<b>18,479</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,479</b>

**2014**  
\$

**2013**  
\$

## Note 8. Property, plant and equipment

### Leasehold improvements

At cost	117,757	117,757
Less accumulated depreciation	(16,371)	(13,427)
	<b>101,386</b>	<b>104,330</b>

### Plant and equipment

At cost	84,045	78,045
Less accumulated depreciation	(46,163)	(37,415)
	<b>37,882</b>	<b>40,630</b>
<b>Total written down amount</b>	<b>139,268</b>	<b>144,960</b>

## Notes to the financial statements (continued)

	2014 \$	2013 \$
Note 8. Property, plant and equipment (continued)		
<b>Movements in carrying amounts</b>		
<b>Leashold improvements</b>		
Balance at the beginning of the reporting period	104,330	107,274
Additions	-	-
Disposals	-	-
Depreciation expense	(2,944)	(2,944)
<b>Balance at the end of the reporting period</b>	<b>101,386</b>	<b>104,330</b>
<b>Plant and equipment</b>		
Balance at the beginning of the reporting period	40,630	48,410
Additions	6,000	-
Disposals	-	-
Depreciation expense	(8,748)	(7,780)
<b>Balance at the end of the reporting period</b>	<b>37,882</b>	<b>40,630</b>

## Note 9. Intangible assets

<b>Franchise fee</b>		
At cost	21,453	10,000
Less accumulated amortisation	(12,290)	(10,000)
	<b>9,163</b>	-
<b>Franchise renewal fee</b>		
At cost	57,260	-
Less accumulated amortisation	(11,452)	-
	<b>45,808</b>	-
<b>Total Intangible assets</b>	<b>54,971</b>	-
<b>Movements in carrying amounts</b>		
<b>Franchise fee</b>		
Balance at the beginning of the reporting period	-	2,000
Additions	11,453	-
Disposals	-	-
Amortisation expense	(2,290)	(2,000)
<b>Balance at the end of the reporting period</b>	<b>9,163</b>	-



## Notes to the financial statements (continued)

	2014 \$	2013 \$
Note 9. Intangible assets (continued)		
<b>Franchise renewal fee</b>		
Balance at the beginning of the reporting period	-	-
Additions	57,260	-
Disposals	-	-
Amortisation expense	(11,452)	-
<b>Balance at the end of the reporting period</b>	<b>45,808</b>	<b>-</b>

## Note 10. Borrowings

<b>Bank overdraft</b>	<b>237,956</b>	<b>181,217</b>
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The company has an overdraft facility of \$290,000 which is subject to normal commercial terms and conditions.

## Note 11. Trade and other payables

### Current

Unsecured liabilities:

Trade creditors	3,937	2,369
Other creditors and accruals	77,130	8,692
	<b>81,067</b>	<b>11,061</b>

## Note 12. Provisions

<b>Employee benefits</b>	<b>5,456</b>	<b>4,394</b>
<b>Movement in employee benefits</b>		
Opening balance	4,394	5,978
Additional provisions recognised	10,055	6,272
Amounts utilised during the year	(8,993)	(7,856)
<b>Closing balance</b>	<b>5,456</b>	<b>4,394</b>
<b>Current</b>		
Annual leave	5,456	4,394
<b>Total provisions</b>	<b>5,456</b>	<b>4,394</b>

## Notes to the financial statements (continued)

	2014 \$	2013 \$
<b>Note 13. Share capital</b>		
875,000 Ordinary shares fully paid of \$1 each	875,000	875,000
Less: Equity raising costs	(18,296)	(18,296)
	<b>856,704</b>	<b>856,704</b>
<b>Movements in share capital</b>		
Fully paid ordinary shares:		
At the beginning of the reporting period	875,000	875,000
Shares issued during the year	-	-
<b>At the end of the reporting period</b>	<b>875,000</b>	<b>875,000</b>

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

### Capital management

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

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

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

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

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

## Notes to the financial statements (continued)

	2014 \$	2013 \$
<b>Note 14. Retained earnings/(accumulated losses)</b>		
Balance at the beginning of the reporting period	(637,080)	(592,491)
Profit/(loss) after income tax	(48,876)	(44,589)
<b>Balance at the end of the reporting period</b>	<b>(685,956)</b>	<b>(637,080)</b>

## Note 15. Statement of cash flows

**(a) Cash and cash equivalents balances as shown in the statement of financial position can be reconciled to that shown in the statement of cash flows as follows**

As per the statement of financial position		
Cash and cash equivalents	8,074	7,536
Bank overdraft	(237,956)	(181,217)
<b>As per the statement of cash flow</b>	<b>(229,882)</b>	<b>(173,681)</b>

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

Profit/(loss) after income tax	(48,876)	(44,589)
Non cash items		
- Depreciation	11,692	10,724
- Amortisation	13,742	2,000
Changes in assets and liabilities		
- (Increase) decrease in receivables	(4,695)	(7,160)
- (Increase) decrease in other assets	(81,565)	(19,788)
- Increase (decrease) in payables	70,006	(8,155)
- Increase (decrease) in provisions	1,062	(1,584)
<b>Net cash flows from/(used in) operating activities</b>	<b>(38,634)</b>	<b>(68,553)</b>

**(c) Credit standby arrangement and loan facilities**

The company has a bank overdraft and commercial bill facility amounting to \$290,000 (2013: \$250,000). This may be terminated at any time at the option of the bank. Variable interest rates apply to these overdraft and bill facilities.

# Notes to the financial statements (continued)

## Note 16. Related party transactions

The company's main related parties are as follows:

### (a) Key management personnel

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

### (b) Other related parties

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

### (c) Transactions with key management personnel and related parties

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

Mission Beach Community Enterprises Limited has accepted the Bendigo and Adelaide Bank Limited's **Community Bank**<sup>®</sup> Directors Privileges package. The package is available to all Directors who can elect to avail themselves of the benefits based on their personal banking with the branch. There is no requirement to own Bendigo and Adelaide Bank Limited shares and there is no qualification period to qualify to utilise the benefits.

The package mirrors the benefits currently available to Bendigo and Adelaide Bank Limited shareholders. The Directors have estimated the total benefits received from the Directors Privilege Package to be \$nil for the year ended 30 June 2014.

### (d) Key management personnel shareholdings

The number of ordinary shares in Mission Beach Community Enterprises Limited held by each key management personnel of the company during the financial year is as follows:

	2014	2013
Debbie Brittain	1,000	1,000
Christopher Norton	1,000	1,000
Helen Vasta	500	500
Anthony Lee	3,000	3,000
Tania Steele	1,000	1,000
Michelle Dore	500	500
Steve Oliver	500	500
Jennifer Downs	2,000	2,000
Cosimo Tedesco	10,000	10,000

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

# Notes to the financial statements (continued)

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## Note 16. Related party transactions (continued)

### (e) Other key management transactions

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

## Note 17. Events after the reporting period

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

## Note 18. Contingent liabilities and assets

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

## Note 19. Operating segments

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

## Note 20. Company details

The registered office is: 35 Reid Road, Wongaling Beach, QLD 4852

The principal place of business is: Shop 5, 34-40 Dickinson Street, Wongaling Beach, QLD 4852

2014	2013
\$	\$

## Note 21. Earnings per share

Basic earnings per share amounts are calculated by dividing profit/(loss) after income tax by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing profit/(loss) after income tax by the weighted average number of ordinary shares outstanding during the year (adjusted for the effects of any dilutive options or preference shares).

The following reflects the income and share data used in the basic and diluted earnings per share computations:

<b>Profit/(loss) after income tax expense</b>	<b>(48,876)</b>	<b>(44,589)</b>
<b>Weighted average number of ordinary shares for basic and diluted earnings per share</b>	<b>875,000</b>	<b>875,000</b>

## Notes to the financial statements (continued)

### Note 22. Dividends paid or provided for on ordinary shares

No dividends were paid or proposed by the company during the period.

	2014 \$	2013 \$
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### Note 23. Leases

#### Operating lease commitments

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

Payable - minimum lease payments

- no later than 12 months	47,733	45,460
- between 12 months and 5 years	158,002	-
- greater than 5 years	-	-
	<b>205,735</b>	<b>45,460</b>

The property lease is a non-cancellable lease with a 5 year term, with rent payable monthly in advance and annual increases fixed at 5%. The lease has a 5 year extension option.

### Note 24. Financial risk management

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

	Note	2014 \$	2013 \$
<b>Financial assets</b>			
Cash and cash equivalents	6	8,074	7,536
Trade and other receivables	7	30,025	25,330
<b>Total financial assets</b>		<b>38,099</b>	<b>32,866</b>
<b>Financial liabilities</b>			
Bank overdraft	10	237,956	181,217
Trade and other payables	11	81,067	11,061
<b>Total financial liabilities</b>		<b>319,023</b>	<b>192,278</b>

# Notes to the financial statements (continued)

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## Note 24. Financial risk management (continued)

### Financial risk management policies

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

### Specific financial risk exposure and management

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

#### **(a) Credit risk**

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

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

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

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

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

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

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Cash and cash equivalents:		
<b>A rated</b>	<b>8,074</b>	<b>7,536</b>

#### **(b) Liquidity risk**

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

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

In addition the company has established an overdraft facility of \$290,000 with Bendigo and Adelaide Bank Limited.

## Notes to the financial statements (continued)

### Note 24. Financial risk management (continued)

#### (b) Liquidity risk (continued)

The table below reflects an undiscounted contractual maturity analysis for financial liabilities. Bank overdrafts have been deducted in the analysis as management does not consider there is any material risk the bank will terminate such facilities. The Bank does however maintain the right to terminate the facilities without notice and therefore the balances of overdrafts outstanding at year end could become repayable within 12 months.

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

Financial liability and financial asset maturity analysis:

<b>30 June 2014</b>	<b>Note</b>	<b>Total \$</b>	<b>Within 1 year \$</b>	<b>1 to 5 years \$</b>	<b>Over 5 years \$</b>
<b>Financial liabilities due</b>					
Bank overdraft	10	237,956	237,956	-	-
Trade and other payables	11	81,067	81,067	-	-
<b>Total expected outflows</b>		<b>319,023</b>	<b>319,023</b>	-	-
<b>Financial assets - realisable</b>					
Cash & cash equivalents	6	8,074	8,074	-	-
Trade and other receivables	7	30,025	30,025	-	-
<b>Total anticipated inflows</b>		<b>38,099</b>	<b>38,099</b>	-	-
<b>Net (outflow)/inflow on financial instruments</b>		<b>(280,924)</b>	<b>(280,924)</b>	-	-

<b>30 June 2013</b>	<b>Note</b>	<b>Total \$</b>	<b>Within 1 year \$</b>	<b>1 to 5 years \$</b>	<b>Over 5 years \$</b>
<b>Financial liabilities due</b>					
Bank overdraft	10	181,217 *	181,217	-	-
Trade and other payables	11	11,061	11,061	-	-
<b>Total expected outflows</b>		<b>192,278</b>	<b>192,278</b>	-	-
<b>Financial assets - realisable</b>					
Cash & cash equivalents	6	7,536	7,536	-	-
Trade and other receivables	7	25,330	25,330	-	-
<b>Total anticipated inflows</b>		<b>32,866</b>	<b>32,866</b>	-	-
<b>Net (outflow)/inflow on financial instruments</b>		<b>(159,412)</b>	<b>(159,412)</b>	-	-

\* The Bank overdraft has no set repayment period and as such all has been included as current.



# Notes to the financial statements (continued)

## Note 24. Financial risk management (continued)

### (c) Market risk

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

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

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

#### Sensitivity analysis

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

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

	<b>Profit \$</b>	<b>Equity \$</b>
<b>Year ended 30 June 2014</b>		
+/- 1% in interest rates (interest income)	(2,299)	(2,299)
	<b>(2,299)</b>	<b>(2,299)</b>
<b>Year ended 30 June 2013</b>		
+/- 1% in interest rates (interest income)	(1,737)	(1,737)
	<b>(1,737)</b>	<b>(1,737)</b>

The company has no exposure to fluctuations in foreign currency.

### (d) Price risk

The company is not exposed to any material price risk.

#### Fair values

The fair values of financial assets and liabilities are presented in the following table and can be compared to their carrying amounts as presented in the statement of financial position. Refer to Note 23 for detailed disclosures regarding the fair value measurement of the company's financial assets and liabilities.

Differences between fair values and the carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied to the market since their initial recognition by the company. Most of these instruments, which are carried at amortised cost, are to be held until maturity and therefore the fair value figures calculated bear little relevance to the company.

## Notes to the financial statements (continued)

### Note 24. Financial risk management (continued)

#### (d) Price risk (continued)

##### Fair values (continued)

	Note	2014		2013	
		Carrying amount \$	Fair value \$	Carrying amount \$	Fair value \$
<b>Financial assets</b>					
Cash and cash equivalents (i)		8,074	8,074	7,536	7,536
Trade and other receivables (i)		30,025	30,025	25,330	25,330
<b>Total financial assets</b>		<b>38,099</b>	<b>38,099</b>	<b>32,866</b>	<b>32,866</b>
<b>Financial liabilities</b>					
Bank overdraft		237,956	237,956	181,217	181,217
Trade and other payables (i)		81,067	81,067	11,061	11,061
<b>Total financial liabilities</b>		<b>319,023</b>	<b>319,023</b>	<b>192,278</b>	<b>192,278</b>

- (i) Cash and cash equivalents, trade and other receivables, and trade and other payables are short-term instruments in nature whose carrying amounts are equivalent to their fair values. The fair values of receivables and payables are determined on the basis of an income approach using a discounted cash flow methodology. Discount rates are based on market interest rates for similar instruments and range between 7.8% and 9.3%, depending upon the nature of the instrument.

# Directors' declaration

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In accordance with a resolution of the Directors of Mission Beach Community Enterprises Limited, the Directors of the company declare that:

- 1 the financial statements and notes, as set out on pages 15 to 41 are in accordance with the Corporations Act 2001 and:
  - (i) comply with Australian Accounting Standards, which as stated in accounting policy Note 1(a) to the financial statements constitutes compliance with International Financial Reporting Standards (IFRS); and
  - (ii) give a true and fair view of the company's financial position as at 30 June 2014 and of the performance for the year ended on that date;
- 2 in the Directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



**Anthony Trevor Lee**  
**Chair**



**Christopher Rodney Norton**  
**Treasurer**

Signed at Mission Beach on 16 September 2014.

# Independent audit report

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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MISSION BEACH COMMUNITY ENTERPRISES LIMITED**

### **Report on the Financial Report**

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

#### *Directors' Responsibility for the Financial Report*

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

#### *Auditor's Responsibility*

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

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

# Independent audit report (continued)

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

## *Independence*

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

## *Auditor's Opinion*

In our opinion:

- (a) the financial report of Mission Beach Community Enterprises 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 2014 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- (b) the financial report also complies with the International Financial Reporting Standards as disclosed in Note 1.

## *Emphasis of Matter*

Without modifying our opinion, we draw attention to Note 1 in the financial report, which indicates that the company incurred a net loss of \$48,876 during the year ended 30 June 2014, further reducing the company's net assets to \$170,748. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt over the company's ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business.

## **RICHMOND SINNOTT & DELAHUNTY**

Chartered Accountants



**P. P. Delahunty**

Partner

Dated at Bendigo, 16 September 2014



Mission Beach **Community Bank®** Branch  
Shop 5, 34-40 Dickinson Street,  
Wongaling Beach QLD 4852  
Phone: (07) 4068 8700

Franchisee: Mission Beach Community Enterprises Ltd  
35 Reid Road, Wongaling Beach QLD 4852  
ABN: 15 129 575 560

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