



Half-Yearly Report December 2014

Mt Eliza Community
Enterprise Limited

ABN 18 139 499 326

Mt Eliza **Community Bank**[®] Branch

Mt Eliza

Community Enterprise Limited

Financial Statements

for the half-year ended

31 December 2014

Mt Eliza Community Enterprise Limited
ACN 139 499 326
Directors' Report

Your directors submit the financial report of the company for the half-year ended 31 December 2014.

Directors

The names of directors who held office during the half year and until the date of this report are as below:

Reagan Harrison Barry

Paul Anthony Andrews

James Craig Batty

Robert Charles Gauci

Alexandra Godfrey

Peter John Hutchinson

Carolyn Jean Parker

Sean Adam Limpens (*resigned 1 December 2014*)

Kenneth Malcolm Sleep (*resigned 31 October 2014*)

Principal Activities

The principal activity of the company during the financial period was facilitating **Community Bank®** services under management rights to operate a franchised branch of Bendigo and Adelaide Bank Limited.

Review and Results of Operations

Operations have continued to perform in line with expectations. The net loss of the company for the financial period after the provision of income tax was: \$56 [2013: \$84,979].

Matters Subsequent to the End of the Reporting Period

There are no matters or circumstances that have arisen since the end of the half year reporting period that have significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company.

Auditors' Independence Declaration

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 2.

Signed in accordance with a resolution of the directors at Mount Eliza, Victoria on 3 March 2015.



Reagan Harrison Barry, Chairman

Mt Eliza Community Enterprise Limited
ACN 139 499 326
Statement of Profit or Loss and Other Comprehensive Income
for the half-year ended 31 December 2014

	2014	2013
	\$	\$
Revenue from ordinary activities	286,911	232,005
Employee benefits expense	(118,339)	(153,890)
Charitable donations, sponsorship, advertising and promotion	(19,998)	(12,290)
Occupancy and associated costs	(66,978)	(65,970)
Systems costs	(16,667)	(17,471)
Depreciation and amortisation expense	(17,224)	(18,326)
Finance costs	(6,955)	(4,742)
General administration expenses	(40,806)	(44,295)
	<hr/>	<hr/>
Loss before income tax credit	(56)	(84,979)
Income tax credit	-	-
	<hr/>	<hr/>
Loss after income tax credit	(56)	(84,979)
	<hr/>	<hr/>
Total comprehensive income for the year attributable to members	(56)	(84,979)
	<hr/>	<hr/>
Earnings per Share	c	c
Basic earnings per share from profit / (loss) for the period:	(0.000)	(10.529)

The accompanying notes form part of these financial statements.

Mt Eliza Community Enterprise Limited
ACN 139 499 326
Balance Sheet
as at 31 December 2014

	31-Dec 2014 \$	30-Jun 2014 \$
ASSETS		
Current Assets		
Cash assets	46,095	46,103
Trade and other receivables	41,720	35,842
Total Current Assets	<u>87,815</u>	<u>81,945</u>
Non-Current Assets		
Trade and other receivables	7,515	7,515
Property, plant and equipment	50,211	56,119
Intangible assets	23,787	34,787
Total Non-Current Assets	<u>81,513</u>	<u>98,421</u>
Total Assets	<u>169,328</u>	<u>180,366</u>
LIABILITIES		
Current Liabilities		
Trade and other payables	31,592	22,130
Borrowings	288,221	294,277
Provisions	2,625	13,276
Total Current Liabilities	<u>322,438</u>	<u>329,683</u>
Non-Current Liabilities		
Provisions	391	4,128
Total Non-Current Liabilities	<u>391</u>	<u>4,128</u>
Total Liabilities	<u>322,829</u>	<u>333,811</u>
Net Assets	<u>(153,501)</u>	<u>(153,445)</u>
Equity		
Issued capital	774,249	774,249
Accumulated losses	(927,750)	(927,694)
Total Equity	<u>(153,501)</u>	<u>(153,445)</u>

The accompanying notes form part of these financial statements.

Mt Eliza Community Enterprise Limited
ACN 139 499 326
Statement of Changes in Equity
for the half-year ended 31 December 2014

	Issued Capital \$	Accumulated Losses \$	Total Equity \$
Balance at 1 July 2013	774,249	(769,232)	5,017
Total comprehensive income for the period	<u>-</u>	<u>(84,979)</u>	<u>(84,979)</u>
	774,249	(854,211)	(79,962)
Transactions with owners in their capacity as owners:			
Shares issued during period	-	-	-
Costs of issuing shares	-	-	-
Dividends provided for or paid	<u>-</u>	<u>-</u>	<u>-</u>
Balance at 31 December 2013	<u><u>774,249</u></u>	<u><u>(854,211)</u></u>	<u><u>(79,962)</u></u>
Balance at 1 July 2014	774,249	(927,694)	(153,445)
Total comprehensive income for the period	<u>-</u>	<u>(56)</u>	<u>(56)</u>
	774,249	(927,750)	(153,501)
Transactions with owners in their capacity as owners:			
Shares issued during period	-	-	-
Costs of issuing shares	-	-	-
Dividends provided for or paid	<u>-</u>	<u>-</u>	<u>-</u>
Balance at 31 December 2014	<u><u>774,249</u></u>	<u><u>(927,750)</u></u>	<u><u>(153,501)</u></u>

The accompanying notes form part of these financial statements.

Mt Eliza Community Enterprise Limited
ACN 139 499 326
Statement of Cash Flows
for the half-year ended 31 December 2014

	2014 \$	2013 \$
Cash Flows From Operating Activities		
Receipts from customers	281,033	235,737
Payments to suppliers and employees	(267,715)	(297,231)
Interest paid	(6,955)	(4,742)
Net cash provided by/(used in) operating activities	<u>6,363</u>	<u>(66,236)</u>
Cash Flows From Investing Activities		
Payments for property, plant and equipment	(315)	-
Net cash provided by investing activities	<u>(315)</u>	<u>-</u>
Net increase/(decrease) in cash held	6,048	(66,236)
Cash at the beginning of the financial year	(248,174)	(132,865)
Cash at the end of the half-year	<u>(242,126)</u>	<u>(199,101)</u>

The accompanying notes form part of these financial statements.

Mt Eliza Community Enterprise Limited
ACN 139 499 326
Notes to the financial statements
for the half-year ended 31 December 2014

Note 1. Summary of Significant Accounting Policies

Statement of Compliance

The half-year financial statements are a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard *AASB 134: Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard *IAS 34: Interim Financial Reporting*.

Basis of Preparation

The half-year financial report is intended to provide users with an update on the latest annual financial statements and does not include all the notes of the type normally included in an annual financial report. Accordingly the report shall be read in conjunction with the annual financial report for the year ended 30 June 2014 and any public announcements made by the company during the period.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements and the previous corresponding interim period.

The half-year financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Going concern

The net assets of the company as at 31 December 2014 were (\$153,501) and the loss before tax made for the period was \$56, bringing accumulated losses to \$927,750.

In addition:	\$
Total assets were	169,328
Total liabilities were	322,829
Operating cash flows	6,363

The company meets its day to day working capital requirements through an overdraft facility. The overdraft has an approved limit of \$425,000 and was drawn to \$288,221 as at 31 December 2014.

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the directors' report on page 1. The financial position of the company, its cash flows, liquidity position and borrowing facilities are described in the financial statements.

The current economic environment is difficult and while revenue continues to increase the company has reported a small operating loss for the period. The directors consider that the outlook presents significant challenges in terms of banking business volume and pricing as well as for operating costs. The directors have instituted measures to preserve cash and secure additional finance.

Mt Eliza Community Enterprise Limited
ACN 139 499 326
Notes to the financial statements
for the half-year ended 31 December 2014

Note 1. Summary of Significant Accounting Policies (continued)

Going concern (continued)

The company has obtained an undertaking of support from Bendigo and Adelaide Bank Limited that it will continue to support the company and its operations for the 2014/15 financial year. This support is provided on the basis that the company continues to fulfill its obligations under the franchise agreement and continues to work closely with Bendigo and Adelaide Bank Limited to further develop its business.

Based on current cashflow and future pipeline business waiting to be settled, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Amendments to Accounting Standards and the new Interpretation that are mandatorily effective for the current reporting period

The following Australian Accounting Standards, amendments to Australian Accounting Standards and Interpretation have become mandatory for adoption for the financial year commencing on 1 July 2014:

- AASB 1031 - Materiality (2013)
- AASB 2012-3 - Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities
- AASB 2013-3 - Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets
- AASB 2013-4 - Amendments to Australian Accounting Standards - Novation of Derivatives and Continuation of Hedge Accounting
- AASB 2013-5 - Amendments to Australian Accounting Standards - Investment Entities
- AASB 2013-9 - Amendments to Australian Accounting Standards - Part B: Materiality
- AASB 2014-1 - Amendments to Australian Accounting Standards -
 - Part A: Annual Improvements 2010-2012 and 2011-2013 Cycles
 - Part B: Defined Benefit Plans - Employee Contributions (Amendments to AASB 119)
 - Part C: Materiality
- Interpretation 21 - Levies

Mt Eliza Community Enterprise Limited
ACN 139 499 326
Notes to the financial statements
for the half-year ended 31 December 2014

Note 1. Summary of Significant Accounting Policies (continued)

Amendments to Accounting Standards and the new Interpretation that are mandatorily effective for the current reporting period (continued)

None of the new standards, amendments to standards or interpretation that are mandatory for the first time for the financial year beginning 1 July 2014 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods. There were no other new or revised Accounting Standards and Interpretations effective for the current reporting period relevant to the company that were not disclosed in the annual financial report for the year ended 30 June 2014.

The company has not elected to apply any pronouncements before their mandatory operative date in the annual reporting period beginning 1 July 2014.

	2014 \$	2013 \$
Note 2.		
Current:		
Bank overdrafts	288,221	178,971
	<u>288,221</u>	<u>178,971</u>

The approved overdraft limit is \$425,000. Interest is currently charged at a rate of 4.77% (2013: 4.60%). The debt is secured by a fixed and floating charge over the company's assets and is subject to quarterly reviews by Bendigo Bank.

Note 3. Events Subsequent to Reporting Date

There have been no events subsequent to reporting date that would materially effect the financial statements at the reporting date.

Note 4. Contingent Assets and Liabilities

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

Note 5. Segment Reporting

The economic entity operates in a single service sector where it facilitates community banking services in Mount Eliza, Victoria pursuant to a franchise agreement with Bendigo and Adelaide Bank Limited.

Mt Eliza Community Enterprise Limited
ABN 18 139 499 326 ACN 139 499 326
Directors' Declaration

In the opinion of the directors of Mt Eliza Community Enterprise Limited ("the company"):

1. The financial statements and notes thereto are in accordance with the *Corporations Act 2001* including:
 - (a) giving a true and fair view of the financial position of the entity as at 31 December 2014 and of its performance, as represented by the results of its operations and cash flows for the half-year ended on that date;
 - (b) complying with Australian Accounting Standard *AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*; and
2. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the *Corporations Act 2001*.

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



Reagan Harrison Barry, Chairman

Dated this 3 March 2015.

Mt Eliza Community Enterprise Ltd

ABN 18 139 4993 26

Auditors Independence Declaration under Section 307C of the Corporations Act 2001

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2014 there have been:

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

Aston Ryan and Malcolm

Aston Ryan and Malcolm



Andrew White

12 March 2015

Dingley

Mt Eliza Community Enterprise Ltd**ABN 18 139 499 326****Independent Audit Report to the members of Mt Eliza Community Enterprise Ltd*****Report on the Half-Year Financial Report***

We have reviewed the accompanying half-year financial report of Mt Eliza Community Enterprise Ltd (the company), which comprises the condensed balance sheet as at 31 December 2014, the condensed condensed statements of comprehensive income, the condensed condensed statement of changes in equity and the condensed condensed statement of cash flows for the half-year ended on that date, the accounting policies and other selected explanatory notes and the directors' declaration.

Director's Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standards on Review Engagements ASRE 2140 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001. As the auditor of Mt Eliza Community Enterprise Ltd, ASRE 2410 requires that we comply with all ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Mt Eliza Community Enterprise Ltd

ABN 18 139 499 326

Independent Audit Report to the members of Mt Eliza Community Enterprise Ltd

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Mt Eliza Community Enterprise Ltd on 30 June 2014, would be in the same terms if provided to the directors as at the date of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Mt Eliza Community Enterprise Ltd is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001.

Aston Ryan and Malcolm

Aston Ryan and Malcolm



Andrew White

12 March 2015

Dingley



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