

Mount Eliza **Community Bank®** Branch



# Half-Yearly Report December 2016

Mt Eliza Community  
Enterprise Limited

ABN 18 139 499 326

Mt Eliza **Community Bank®** Branch

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# **Mount Eliza Community Enterprise Limited**

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ABN: 18 139 499 326

## **Financial Statements**

For the half-year ended  
31 December 2016

# Mount Eliza Community Enterprise Limited

## Directors' Report

Your directors submit the financial report of the company for the half-year ended 31 December 2016.

### 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 (Resigned 27 January 2017)  
James Craig Batty  
Robert Charles Gauci  
Alexandra Godfrey  
Joanne Horton  
Peter Hutchinson  
Carolyn Jean Parker

### Principal activities

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

### Review of operations

Operations have continued to perform in line with expectations. The net profit of the company for the financial period after the provision of income tax was:

Half-year ended 31 December 2016	Half-year ended 31 December 2015
\$	\$
56,541	25,322

### Events after 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.

### Auditor's 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 14 March 2017.

Chairman

Reagan Harrison Barry

**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 2016, the condensed statements of comprehensive income, the condensed statement of changes in equity and the 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 2016 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 2016, 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 2016 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.

*Ashfords Audit and Assurance Pt Ltd*

Ashfords Audit and Assurance Pty Ltd



Andrew White

14 March 2017

Dandenong

# Mount Eliza Community Enterprise Limited

## Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2016

	2016 \$	2015 \$
Revenue from ordinary activities	352,988	325,922
Employee benefits expense	(153,924)	(141,243)
Charitable donations, sponsorship, advertising and promotion	(12,500)	(25,000)
Occupancy and associated costs	(58,677)	(59,567)
Systems costs	(16,506)	(16,485)
Depreciation and amortisation expense	(10,054)	(12,190)
Finance costs	(2,721)	(5,136)
General administration expenses	(42,065)	(40,979)
<b>Profit before income tax</b>	<b>56,541</b>	<b>25,322</b>
Income tax expense	-	-
<b>Profit after income tax</b>	<b>56,541</b>	<b>25,322</b>
<b>Total other comprehensive income for the half-year attributable to the ordinary shareholders of the company:</b>	<b>56,541</b>	<b>25,322</b>
<b>Earnings per Share</b>	<b>¢</b>	<b>¢</b>
Basic earnings per share:	0.070	0.031

# Mount Eliza Community Enterprise Limited

## Balance Sheet

As At 31 December 2016

	31-Dec-2016	30-Jun-2016
	\$	\$
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	46,175	46,055
Prepayments	6,446	10,731
Trade and other receivables	39,299	46,012
<b>Total current assets</b>	<b>91,920</b>	<b>102,798</b>
<b>Non-current assets</b>		
Trade and other receivables	7,515	7,515
Property, plant and equipment	33,278	36,553
Intangible assets	58,826	65,604
<b>Total non-current assets</b>	<b>99,619</b>	<b>109,672</b>
<b>TOTAL ASSETS</b>	<b>191,539</b>	<b>212,470</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables	89,630	94,996
Borrowings	92,789	165,718
Provisions	2,670	1,847
<b>Total current liabilities</b>	<b>185,089</b>	<b>262,561</b>
<b>Non-current liabilities</b>		
Provisions	1,209	1,209
<b>Total non-current liabilities</b>	<b>1,209</b>	<b>1,209</b>
<b>TOTAL LIABILITIES</b>	<b>186,298</b>	<b>263,770</b>
<b>NET ASSETS</b>	<b>5,241</b>	<b>(51,300)</b>
<b>EQUITY</b>		
Issued capital	774,249	774,249
Accumulated losses	(769,008)	(825,549)
<b>TOTAL EQUITY</b>	<b>5,241</b>	<b>(51,300)</b>

# Mount Eliza Community Enterprise Limited

## Statement of Changes in Equity

For the half-year ended 31 December 2016

	Issued Capital \$	Accumulated Losses \$	Total Equity \$
<b>Balance at 1 July 2015</b>	774,249	(905,523)	(131,274)
Total comprehensive income for the half-year	-	25,322	25,322
<b>Transactions with owners in their capacity as owners:</b>			
Shares issued during period	-	-	-
Costs of issuing shares	-	-	-
Dividends provided for or paid	-	-	-
<b>Balance at 31 December 2015</b>	<b>774,249</b>	<b>(880,201)</b>	<b>(105,952)</b>
<b>Balance at 1 July 2016</b>	774,249	(825,549)	(51,300)
Total comprehensive income for the half-year	-	56,541	56,541
<b>Transactions with owners in their capacity as owners:</b>			
Shares issued during period	-	-	-
Costs of issuing shares	-	-	-
Dividends provided for or paid	-	-	-
<b>Balance at 31 December 2016</b>	<b>774,249</b>	<b>(769,008)</b>	<b>5,241</b>



# Mount Eliza Community Enterprise Limited

## Statement of Cash Flows

For the half-year ended 31 December 2016

	2016 \$	2015 \$
<b>Cash flows from operating activities</b>		
Receipts from customers	359,155	314,225
Payments to suppliers and employees	(284,632)	(262,131)
Interest paid	(2,721)	(5,136)
Interest received	1,247	-
<b>Net cash provided by/(used in) operating activities</b>	<b>73,049</b>	<b>46,958</b>
<b>Net increase/(decrease) in cash held</b>	<b>73,049</b>	<b>46,958</b>
Cash and cash equivalents at the beginning of the financial year	(119,663)	(212,687)
<b>Cash and cash equivalents at the end of the half-year</b>	<b>(46,614)</b>	<b>(165,729)</b>

# Mount Eliza Community Enterprise Limited

## Notes to the Financial Statements

For the half-year ended 31 December 2016

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### Note 1. Summary of significant accounting policies

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#### 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

#### 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 2016 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

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.

There are no new and revised Accounting Standards or amendments thereof 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 2016.

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### Note 2. Current Liabilities

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	2016	2015
	\$	\$
Bank Overdraft	92,789	165,718

The bank overdraft has an approved limit of \$425,000. Interest on the bank overdraft is calculated using a variable rate. The bank overdraft is secured by a Registered First Company Debenture Mortgage from Mount Eliza Community Enterprise Limited. Current interest rate is 5.815%

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### Note 3. Comparatives

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In the 31 December 2015 half year accounts the marketing expenses account (\$7,500) was incorrectly disclosed as part of general administration expenses. Marketing expenses have now been included in the Charitable donations, sponsorship, advertising and promotion line item in the Profit and Loss for 31 December 2016, and comparatives to 31 December 2015 have been corrected. The correction had no impact on the net profit or equity.

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### Note 4. Events subsequent to reporting date

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

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### Note 5. Contingent assets and liabilities

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

# Mount Eliza Community Enterprise Limited

## Notes to the Financial Statements

For the half-year ended 31 December 2016

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### **Note 6. Segment reporting**

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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.

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### **Note 7. Related parties**

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Arrangements with related parties continue to be in place. For details on these arrangements, refer to the 30 June 2016 annual financial report.

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### **Note 8. Deferred Tax Asset**

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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.

Despite this the Directors have taken a conservative approach when it comes to recognising a Deferred tax asset for past tax losses. The Board of Directors will review at the end of the current financial year and assess whether the “virtually certain” criteria for recognising a deferred tax asset is met.

# Mount Eliza Community Enterprise Limited

## Directors' Declaration

In the opinion of the directors of Mount 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 2016 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.

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

Chairman



Reagan Harrison Barry

Dated this

14

day of

MARCH

2017.

Mt Eliza **Community Bank**<sup>®</sup> Branch  
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Phone: (03) 9787 1224

Franchisee: Mt Eliza Community Enterprise Ltd  
PO Box 307, Mt Eliza VIC 3930  
Phone: 0412 380 727  
ABN: 18 139 499 326

Share Registry:  
RSD Chartered Accountants  
PO Box 30, Bendigo VIC 3552  
Phone: (03) 5445 4200

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