



Half-Yearly Report December 2015

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 2015

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

Your directors submit the financial report of the company for the half-year ended 31 December 2015.

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

Joanne Horton

Peter John Hutchinson

Carolyn Jean Parker

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 profit of the company for the financial period after the provision of income tax was: \$25,322 [2014: (\$56)].

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 1 March 2016.



Reagan Harrison Barry, Chairman



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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 2015 there have been:

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

Ashfords Audit and Assurance Pty

Ashfords Audit and Assurance Pty

Andrew White

7 March 2016

Dandenong



Liability limited under a scheme approved under professional standards legislation.

Mt Eliza Community Enterprise Limited
ABN 18 139 499 326
Statement of Profit or Loss and Other Comprehensive Income
for the half-year ended 31 December 2015

	2015	2014
	\$	\$
Revenue from ordinary activities	325,922	286,911
Employee benefits expense	(141,243)	(118,339)
Charitable donations, sponsorship, advertising and promotion	(17,500)	(19,998)
Occupancy and associated costs	(59,567)	(66,978)
Systems costs	(16,485)	(16,667)
Depreciation and amortisation expense	(12,190)	(17,224)
Finance costs	(5,136)	(6,955)
General administration expenses	(48,479)	(40,806)
	<hr/>	<hr/>
Profit/(Loss) before income tax expense	25,322	(56)
Income tax expense	-	-
	<hr/>	<hr/>
Profit/(Loss) after income tax expense	25,322	(56)
	<hr/>	<hr/>
Total comprehensive income for the year attributable to members	25,322	(56)
	<hr/> <hr/>	<hr/> <hr/>
Earnings per Share	c	c
Basic earnings per share from profit / (loss) for the period:	0.031	(0.000)

The accompanying notes form part of these financial statements.

Mt Eliza Community Enterprise Limited
ABN 18 139 499 326
Balance Sheet
as at 31 December 2015

	31-Dec 2015 \$	30-Jun 2015 \$
ASSETS		
Current Assets		
Cash assets	46,245	46,082
Trade and other receivables	44,700	33,003
Total Current Assets	<u>90,945</u>	<u>79,085</u>
Non-Current Assets		
Trade and other receivables	7,515	7,515
Property, plant and equipment	40,514	44,519
Intangible assets	72,382	12,787
Total Non-Current Assets	<u>120,411</u>	<u>64,821</u>
Total Assets	<u>211,356</u>	<u>143,906</u>
LIABILITIES		
Current Liabilities		
Trade and other payables	100,925	13,884
Borrowings	211,974	258,769
Provisions	3,200	1,736
Total Current Liabilities	<u>316,099</u>	<u>274,389</u>
Non-Current Liabilities		
Provisions	1,209	791
Total Non-Current Liabilities	<u>1,209</u>	<u>791</u>
Total Liabilities	<u>317,308</u>	<u>275,180</u>
Net Assets	<u>(105,952)</u>	<u>(131,274)</u>
Equity		
Issued capital	774,249	774,249
Accumulated losses	(880,201)	(905,523)
Total Equity	<u>(105,952)</u>	<u>(131,274)</u>

The accompanying notes form part of these financial statements.

Mt Eliza Community Enterprise Limited
ABN 18 139 499 326
Statement of Changes in Equity
for the half-year ended 31 December 2015

	Issued Capital \$	Accumulated Losses \$	Total Equity \$
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>774,249</u>	<u>(927,750)</u>	<u>(153,501)</u>
Balance at 1 July 2015	774,249	(905,523)	(131,274)
Total comprehensive income for the period	<u>-</u>	<u>25,322</u>	<u>25,322</u>
	774,249	(880,201)	(105,952)
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 2015	<u>774,249</u>	<u>(880,201)</u>	<u>(105,952)</u>

Mt Eliza Community Enterprise Limited
ABN 18 139 499 326
Statement of Cash Flows
for the half-year ended 31 December 2015

	2015	2014
	\$	\$
Cash Flows From Operating Activities		
Receipts from customers	314,225	281,033
Payments to suppliers and employees	(262,131)	(267,715)
Interest paid	(5,136)	(6,955)
Net cash provided by/(used in) operating activities	<u>46,958</u>	<u>6,363</u>
Cash Flows From Investing Activities		
Payments for property, plant and equipment	-	(315)
Net cash provided by investing activities	<u>-</u>	<u>-</u>
Net increase/(decrease) in cash held	46,958	6,048
Cash at the beginning of the financial year	(212,687)	(248,174)
Cash at the end of the half-year	<u><u>(165,729)</u></u>	<u><u>(242,126)</u></u>

The accompanying notes form part of these financial statements.

Mt Eliza Community Enterprise Limited
ABN 18 139 499 326
Notes to the financial statements
for the half-year ended 31 December 2015

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 2015 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.

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 2015.

Going concern

The net assets of the company as at 31 December 2015 were (\$105,952) and the profit before tax for the period was \$25,322, reducing accumulated losses to \$880,201.

In addition:	\$
Total assets were	211,356
Total liabilities were	317,308
Operating cash flows	46,958

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. However revenue continues to increase and the company is budgeting for an increased profit for the year ending 30 June 2016.

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 2015/16 financial year and this is recognised by the renewal of its franchise agreement for an additional five years. 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.

Mt Eliza Community Enterprise Limited
ABN 18 139 499 326
Notes to the financial statements
for the half-year ended 31 December 2015

Note 1. Summary of Significant Accounting Policies (continued)

Going concern (continued)

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.

	2015	2014
	\$	\$
Note 2.		
Current:		
Bank overdrafts	211,974	288,221
	<u>211,974</u>	<u>288,221</u>

The approved overdraft limit is \$425,000. Interest is currently charged at a rate of 4.18% (2014: 4.77%). 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
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 2015 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 1 March 2016.

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 2015, 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 2015 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.



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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 2015, 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 2015 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 Pty

Ashfords Audit and Assurance Pty

Andrew White

7 March 2016

Dandenong



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(MECE 03/16)



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