



Annual Report 2015

Our Community Company Ltd

ABN 51 092 756 351

Lang Lang and Pearcedale **Community Bank**[®] branches
Koo Wee Rup, Narre Warren South and
Tooradin & Coastal Villages branches

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Community engagements – centre spread

Chairman's report

For year ending 30 June 2015

It is with pleasure that I report on the performance of Our Community Company Ltd for the 2014/15 financial year. Strong economic endurance, good business practice and a healthy relationship with Bendigo and Adelaide Bank Limited held Our Community Company Ltd in good stead at year's end. The banking environment has been a tough one for several years now, not just in our communities but nationally, and indeed globally. We are confident that if we continue to deliver a great service in partnership with Bendigo and Adelaide Bank Limited, this will continue to strengthen our business and our performance. Overall business growth was approximately \$10 million with the predominate growth in deposits.

The communities of Lang Lang, Pearcedale, Koo Wee Rup, Narre Warren South and Tooradin & the Coastal Villages are diverse and unique. Each community has embraced their **Community Bank**[®] branch and we trust each **Community Bank**[®] branch continues to be relevant to their respective communities. We see our **Community Bank**[®] branches as more than just banking services and returns to the community. We envisage our branches being facilitators and enablers to our communities, creating opportunities for growth in networks, enrichment of the existing status quo and exploration of what might be in the future.

Our support for our communities by way of grants and sponsorships continued strongly in 2014/15. One of the most meaningful programs we have been able to support is that of tertiary scholarships. Since 2012, our company has supported 22 local high school graduates as they have begun their university studies. This support enables young people from our communities to pursue their education goals and dreams that may have previously been out of their reach.

In partnership with Koo Wee Rup Secondary College and Motorvation Mobile we fund the Greenlight Youth Driver Education Program. A total of 25 students spend one day in various learning mediums to get a better understanding of their driver psychology and how this affects their driving style and skill. This program contributes to making our young people safer on our roads.

We continue to offer support to our local emergency service providers. Fire brigade units can manage their vehicle replacement programs knowing they have annual funds from the **Community Bank**[®] branches and the SES units can purchase equipment of the latest technology that keeps their members and their communities safer.

The Lang Lang Community Recreation Project continues to gain momentum. The Project Committee were recently presented with a 'first draft' from Cardinia Shire. Project Lead Heather Callihan will consult with the groups and wider community in Lang Lang on the suitability of this draft. This project is an exciting venture and one the Directors are happy to see come to fruition.

Our partner Bendigo and Adelaide Bank Limited has, in conjunction with the national **Community Bank**[®] network, recently completed the most comprehensive review of the **Community Bank**[®] model since inception. The Project Horizon review looked at the **Community Bank**[®] model from its humble beginnings in 1998 to what is today, a network of 310 branches with representation in every State and Territory.

Your Directors continue to focus on the need to grow the business and are working on a number of strategies to achieve this. Together with our committed and friendly service driven branch teams, we are committed to continue to work hard to grow the business for the betterment of our local communities through grants, sponsorships and donations.

As a shareholder we thank you for your support. If you're banking with one of our **Community Bank**[®] branches – thank you. If you're not, then it's worth asking yourself the question, 'Am I able to investigate further with local branch staff products and services that may assist in achieving my financial goals?'

Chairman's report (continued)

During this past year, we have had a number of new appointments. Rex Genoni was appointed to the Board at last year's Annual General Meeting. During the year, the Board considered our staffing structure and what would best suit the needs of our communities into the future and as such made some changes. Richard Roach became Branch Manager at Narre Warren South branch. We welcomed Tim Gilmore as Branch Manager at Lang Lang, Andrea Vincent as Customer Relationship Manager at Koo Wee Rup, Tina Thompson as Customer Relationship Manager at Tooradin & Coastal Villages and Richard Perry as Business Development Manager covering the five branches. Thank you all for taking up your individual rolls and wish you well into the future.

We thank Sue Carson and Paul Jones for their service and we wish them luck in their future endeavours and we wish Shane Harris continued improvement in his rehabilitation from serious health concerns.

I would like to convey our thanks to the hard working front line staff in Our Community Company Ltd branches; well lead by our dedicated team of Managers.

To our business partner, Bendigo and Adelaide Bank Limited, thank you, and we look forward to further success in the future.

To our fellow shareholders, thank you for your continued enthusiastic support. Your committed hardworking Board are always mindful of the faith you as shareholders have shown.

To my fellow Board members, well done and thank you for another year of enthusiastic engagement. You are a terrific team, our company is in good hands and with that knowledge we can all look forward to the future with confidence.

To Tania Hansen our diligent CEO, another outstanding year's work, a pillar of strength to the Board and the Chairman; we thank Tania for her continued commitment.



Michael Duff
Chairman

Lang Lang Manager's report

For year ending 30 June 2015

It is with great pleasure that I present my report for the financial year ending 30 June 2015 on behalf of Lang Lang **Community Bank**[®] Branch.

With our previous Branch Manager Sue Carson retiring in April 2015, an opportunity become available for me to join the Lang Lang team.

It has been a challenging year with the branch achieving good results in deposit growth. Our deposits increased by \$5.8 million, while our loan portfolio reduced by \$1.7 million. With interest rates at record lows, we continue to see our customers paying back their loans at record levels. Despite this trend we continue to look for opportunities to grow the business in all areas.

Our overall funds under management position is as follows:

- Lending portfolio balance is \$34.6 million
- Deposit portfolio balance is \$73.5 million
- Total \$108.1 million (up from \$104 million 12 months ago).

This growth is a result of the high level of success and support of our customers.

I would like to personally thank our customers for their ongoing support. Without your support, our **Community Bank**[®] branch would not be able to contribute to our community's prosperity in the way it does.

For our growth and prosperity to continue, it is important for our customers and shareholders to do as much banking as possible with our **Community Bank**[®] branch. This will ensure our activity levels remain high and will foster the growth of banking business. I also encourage you to talk with your family, friends and peers, who may not be using our **Community Bank**[®] branch and let them know of the benefits of doing banking with our branch.

I would like to thank my current staff Laura, Andi, Melissa and Diane and past staff Jacquie and Pam for their dedication, enthusiasm and commitment in helping our customers with their banking. Their support is truly valued and appreciated. Thank you to our retired Branch Manager Sue Carson for her contributions and I wish her well for the future.

It is also important to acknowledge the support from Business Banking, Financial Planning and Regional Office. A special thank you to Richard Perry who has supported our branch and continues to provide a high level of professionalism and expertise to our Business Banking customers.

Thank you to the company's Board of Directors who continue to work diligently on a volunteer basis to make sure that the business remains strong and that it can provide benefits to our local communities.

Thank you to everyone in our community.

My staff and I, look forward to a successful and rewarding year ahead.



Tim Gilmore
Branch Manager
Lang Lang Community Bank[®] **Branch**

Pearcedale Manager's report

For year ending 30 June 2015

Pearcedale **Community Bank**[®] Branch maintained stable footings (deposits/lending) during the 2014/15 financial year. This was despite strong lending activity (branch fundings of \$8.28 million) including a continued growth of applicants who are new to our branch. However, borrowers voluntarily paying down debt to position themselves better to manage their financial affairs continued to be evident over the year. Loan arrears reduction was also pleasing to see. Deposits reduced by \$3.7 million over the year as many customers looked to making major income producing purchases or personal assets to improve their standard of living.

Customer numbers increased from 2,832 to 3,206 (374) over the year with the School Banking Program at Pearcedale Primary School once again contributing strongly to customer growth. This is one of the many ways in which we provide meaningful community value in Pearcedale.

Financial Planning referrals (80) demonstrated our strong commitment to adding tangible and relevant value to our customers. We also maintained solid protection outcomes for our customers with general insurance sales in addition to loan protection outcomes beyond our expectations.

Customer Relationship Officer (CRO) Tina Thompson provided direct support to Tooradin & Coastal Villages branch from October 2014, in the capacity of Acting Customer Relationship Manager. This role was a personal development opportunity for Tina, who has since been formally appointed to the role. Tina's absence was well covered by the Pearcedale team who were willing to take on the learning up-skill challenge. We have since appointed Kylie Lee to the CRO role. We continue to maintain a diverse and experienced team at Pearcedale who are fully equipped to face and navigate the challenges that lay ahead. This will be assisted by newly appointed Business Development Manager Richard Perry, who will provide support across the whole Our Community Company Ltd branch network.

I was pleased to lead the dedicated team of Tina (Customer Relationship Officer), Penny, (Customer Service Supervisor), Diane (Customer Service Officer) and Keryn (Customer Service Officer) during the 2014/15 financial year.

We look forward to continued moderate growth targeted at 12% (lending including Business banking) and 7% (deposits) in the current period with a robust lending pipeline in place and producing good results.

Thanks to all our customers and community groups and clubs who have provided their loyal custom and advocacy. Your support is what enables us to provide many great outcomes in our community.

Thanks also to Tania Hansen, Our Community Company Ltd Executive Officer and all Board members for the support you have provided to the Pearcedale team during the year.



Darryl Sutcliffe
Branch Manager
Pearcedale Community Bank[®] Branch

Koo Wee Rup Manager's report

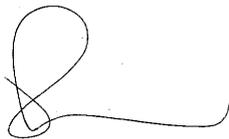
For year ending 30 June 2015

There have been some positive results in the branch for the past year. Insurance results were very pleasing with an increase in wealth products. Customer numbers increased by 19% which reflects the general activity of the township, with the town itself experiencing a period of growth. In tough economic conditions, the overall growth in footings for the year saw a 4.5% increase to \$81 million. This growth is due to Richard, Kay, Julie, Pauline and Amanda delivering excellent banking products and services and the support we receive from the clubs, community groups, businesses and school.

Long serving Branch Manager Richard Roach moved to Narre Warren South branch in April. We wish him well in his new position. I would like to thank Richard for his assistance during my transition to this role and the team here for their acceptance, support and professionalism. Kay led the team until I began in June and we thank Kay for the excellent job she did during this time. I also acknowledge the efforts of Julie, Amanda, Pauline and Keryn as well as the relief team of Silvana, Angie and Sandi for their contribution. I would also like to thank Tania Hansen and Simon Sponza for their belief in me to manage the Koo Wee Rup branch and feel very privileged with this role.

During this next year the branch will be aiming to increase its lending by deepening the relationship with our current customers. We will continue to develop the capabilities of the team and strive to focus on being better connected with our customers. Richard Perry, Business Development Manager has joined the team, so we will be making sure our customers have access to his skills to assist them with their business banking needs. We will strive to continue to be relevant to our community groups, clubs and schools.

I am very excited about the year ahead. I take this opportunity to acknowledge all our customers, shareholders, Directors and staff whose continued support make it possible for our branch to grow and continue to strengthen the Koo Wee Rup community.



Andrea Vincent
Customer Relationship Manager
Koo Wee Rup branch

Narre Warren South Manager's report

For year ending 30 June 2015

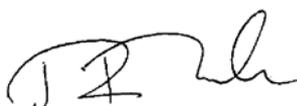
The Narre Warren South branch has now been operating for over 11 years and the branch continues to grow at solid levels. I have been appointed as Branch Manager at Narre Warren South since 27 April 2015, after being Branch Manager at Koo Wee Rup branch for over 11 years.

Our branch lending business has increased by 5.4% which is a great result given customers continue to pay down their loans at record levels Australia wide. The branch deposit business fell by 4.7% during this financial year. Our branch overall business size increased by 3.8%, which was a reasonable achievement given the current economic climate. Our branch now has 3,389 customers, an increase of 6.8%.

I would like to acknowledge the commitment, support and professionalism of all branch staff during the last 12 months, Alison, Jack, Sylvia and Athena, who joined our branch in October 2014. I would also like to thank our relief staff team, Angela, Silvana and Sandi for their continued support towards our branch for the year.

During the coming financial year our branch is aiming to increase our business size by 8%. This will be a great challenge for my branch staff and I, but by working together as a team and by making the most of our opportunities with both potential new and our existing customers, I believe this is achievable. We will be looking to gain more business through the members and families from the community groups, clubs and schools who benefit from the **Community Bank®** model.

I would like to thank all customers of our branch and our shareholders, as they make it possible for our branch to grow and contribute funds back into our local community. I would also like to thank Tania Hansen (Executive Officer), Simon Sponza (Bendigo Bank Regional Manager), and the Board of Directors for their continued support and guidance.



Richard Roach
Branch Manager
Narre Warren South branch

Tooradin & Coastal Villages Manager's report

For year ending 30 June 2015

Tooradin & Coastal Villages branch experienced a 1% increase in deposits and negative growth in loans this financial year. Market conditions continue to be very challenging, which impacted directly upon our branch. Account numbers have grown by 152%. This is very pleasing as we look forward to seeing an improvement in our overall branch position based on this activity.

I would like to thank Tooradin and the wider Coastal Villages for the support our branch receives from our customers and the community. This support needs to continue and grow for our branch to be successful.

Our Branch Manager Shane has taken some extended leave due to his health. We wish him all the best in his rehabilitation. The team has experienced some additional changes. Sandi has moved on to our relief team and Aimee (Customer Service Officer) has come to us with a great deal of banking experience. Aimee joins our existing branch team of Belinda, Carol and Lorna. Our team continues to provide a high level of customer service to ensure our customers have their banking and finance needs met.

I look forward to the challenges the coming year brings us. We would like to see increased support from our local businesses and groups. I appeal to the community to come into our branch and see how we can assist you with your banking and financial needs.

This year we have provided 12 groups a total of \$16,100 in community grants and sponsorships.

I would like to thank the shareholders, customers and community groups that have supported the Tooradin & Coastal Villages branch over the last 12 months and the Directors of Our Community Company Ltd for their ongoing support.



Tina Thompson
Customer Relationship Manager
Tooradin & Coastal Villages branch

Bendigo and Adelaide Bank report

For year ending 30 June 2015

In the 2015 financial year, the **Community Bank**[®] network opened its 310th branch and community contributions since the model's inception exceed \$130 million. Both of these achievements could not have been achieved without your ongoing support as a shareholder, customer and advocate of what is a truly unique way of banking for the benefit of your local community.

Local communities continue to embrace the **Community Bank**[®] model, a banking movement founded on the simple belief that successful customers and successful communities create a successful bank.

Seventeen years later communities are still approaching us and the model is as robust and relevant as ever, however a review of what we were doing, why and how we could do it better was timely.

During an 18 month period the Bank, in partnership with the **Community Bank**[®] network, undertook a comprehensive review of the **Community Bank**[®] model. Project Horizon was the largest single engagement process ever undertaken by our organisation.

As a result, a focus for the next 18 months will be the implementation of 64 recommendations. What was overwhelmingly obvious is that our **Community Bank**[®] network, and our Bank, care deeply about what has been developed and in what the future holds for the network.

In the early days of **Community Bank**[®] development, the **Community Bank**[®] model was seen as a way to restore branch banking services to rural towns, regional cities and metropolitan suburbs after the last of the banks closed their doors.

Today, although the focus is still about providing banking services, there is perhaps an even greater interest in the way in which the model creates a successful community enterprise used to effectively, and sustainably, build community capacity.

In October 2014, we welcomed **Community Bank**[®] branches in Bacchus Marsh, Kilmore, Maffra, Kwinana and Nubeena. All of these branches join a strong and mature banking network where valued partnerships enhance banking services, taking the profits their banking business generates and reinvesting that funding into initiatives to ultimately strengthen their community.

Following consultation with local residents and business owners responding to other banks reducing their branch presence, Aldinga Beach **Community Bank**[®] Branch opened the Willunga Customer Service Centre in April 2015, providing a full banking service to local people five days a week.

The **Community Bank**[®] model is a great example of shared value and was centre stage at an international Shared Value conference in the United States earlier this year.

Funding generated by **Community Bank**[®] branches support projects that make a difference to a community. But no matter how big or small the place people call home, the **Community Bank**[®] network recognises that when they act as one, powered by the good that money can bring, bigger things can happen for local towns, regions and states.

In WA, a \$125,000 commitment to Ronald McDonald House by Collie & Districts **Community Bank**[®] Branch resulted in a further \$125,000 from 21 branches (both community and company owned) in the state.

In QLD, Longreach farming families are now feeding their stock thanks to a dedicated Rotary Club and financial contributions from 16 **Community Bank**[®] (and company) branches.

Across regional and rural NSW, young people are today better drivers thanks to a driver education program supported by **Community Bank**[®] branches and across Australia, 58 young people headed off to their first year of university with the help of a **Community Bank**[®] scholarship.

Bendigo and Adelaide Bank report (continued)

Interest in the **Community Bank**[®] model remains strong, with 20 **Community Bank**[®] sites currently in development and a further six **Community Bank**[®] branches expected to open nationally during 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 support the community with the good that money can bring.

By the end of the financial year 2014/15 the **Community Bank**[®] network achieved the following:

- Returns to community – over \$130 million since the model's inception
- **Community Bank**[®] branches – 310
- **Community Bank**[®] branch staff – more than 1,500
- **Community Bank**[®] company Directors – 1,946
- Banking business – \$28.79 billion
- Customers – 699,000
- Shareholders – 74,393
- Dividends paid to shareholders since inception – \$38.6 million

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

In Bendigo and Adelaide Bank, your **Community Bank**[®] company has a committed and strong partner and over the last financial year our company has continued its solid performance. Our Bank continues to be rated at least "A-" by Standard & Poor's, Moody's and Fitch in recognition of its strong performance in the face of what continues to be a challenging economic environment.

Our **Community Bank**[®] partners played an integral role in the Bank's involvement in the Financial Systems Inquiry, lobbying their local Federal Government representatives and calling for a level playing field.

Recent APRA announcements regarding changes to risk weights on mortgages will positively impact our Bank – providing customers with a level playing field by giving them more choice from a wider variety of financial providers.

Thanks to the efforts of our people, our peers and **Community Bank**[®] partners, we're starting to see the benefits. In continuing to take a collaborative approach, we act as one network driving positive outcomes for all Australians.

As **Community Bank**[®] company shareholders you are part of a unique banking movement.

The model offers an alternative way to think about banking and the role banks play in modern society, and because of your support there really is no limit to what can be achieved for local people and the communities in which you live.

Thank you for your ongoing support of your local **Community Bank**[®] branch.



Robert Musgrove
Executive Community Engagement

Directors' report

For the financial year ended 30 June 2015

Your directors submit the financial statements of the company for the financial year ended 30 June 2015.

Directors

The names and details of the company's directors who held office during or since the end of the financial year:

Michael John Duff

Chairman

Occupation: Company Director

Qualifications, experience and expertise: Michael is currently the sole Managing Director of John Duff & Co Pty Ltd, having been a Director since 1984. He has been the company delegate to the Caltex Distributor Association since joining John Duff & Co in the early 80's. He has served as Chairman and Secretary of the Southern Region Caltex Distributor Association and served 6 years as delegate on the Caltex National Distributor Association Board. Michael and his company has been an active supporter of APADA and now ACAPMA since joining the industry and the company was along, with many others, a foundation member of the organisation some 40 years ago. John Duff & Co Pty Ltd has had a business association with Caltex Oil Australia since 1966 and on December 8th 2014 agreements were established that see John Duff & Co Pty Ltd continue to conduct petroleum wholesale distribution and retail sales operations under the Shell brand. Throughout the Gippsland and outer Melbourne Region over 80 local people are engaged in the petroleum industry by John Duff & Co Pty Ltd. Michael is a committee member of Pakenham Racing Club (PRC) and current Chairman of the PRC Gaming Operation sub committee. Life member of both the CFA and Koo Wee Rup Fire Brigade with 33 years service. Past Chairman Koo Wee Rup Community Centre. Current member Koo Wee Rup Township Committee. Past President and current member Koo Wee Rup Business Association. Past Chairman, Secretary and committee member Cochrane Park Recreation Reserve Koo Wee Rup.

Special responsibilities: Chairman of the Board

Interest in shares: 30,000 Ordinary Shares

Gordon Douglas Smale

Vice Chairman

Occupation: Manufacturing Manager

Qualifications, experience and expertise: Manager of engineering company employing 50 plus staff. Vice President Pearcedale Tennis Club. Past President Pearcedale Recreation Reserve Committee of Management. Past President Pearcedale Tennis Club, Treasurer Pearcedale Tennis Club. Past Secretary Mt Eliza Cricket Club, current Committee Member Mt Eliza Cricket Club. Treasurer Mt Eliza Football Netball Club - netball.

Special responsibilities: Deputy Chairman, Business Growth Committee, Finance & Budget Committee.

Interest in shares: 500 Ordinary Shares

Tania Lyn Hansen

Executive Officer

Occupation: Executive Officer

Qualifications, experience and expertise: Executive Officer Our Community Company Ltd, GAICD, former Secretary of Lang Lang Town Committee. Secretary Lang Lang Traders Association Inc, Board member of Koo Wee Rup Regional Health Service, Company Secretary of Flemington Financial Services Ltd. Bulletin Editor for the Rotary Club of Koo Wee Rup/Lang Lang. Bachelor of Arts - linguistics. Bachelor of Behavioural Science - psychology.

Special responsibilities: All Committees

Interest in shares: 500 Ordinary Shares

Directors' report (continued)

Directors (continued)

Maxwell William Papley

Director

Occupation: Company Director

Qualifications, experience and expertise: Inaugural Chairman CFSV Ltd.

Special responsibilities: nil

Interest in shares: 30,250 Ordinary Shares

Douglas Hugh Hamilton

Director

Occupation: Retired Grazier

Qualifications, experience and expertise: Former Councillor Cardinia Shire, inaugural Vice Chairman CFSV Ltd, Charter member Rotary Club of Koo Wee Rup/Lang Lang.

Special responsibilities: Audit & Governance Committee, Human Resources Committee

Interest in shares: 8,600 Ordinary Shares

Maxwell Arthur John Kneebone

Director

Occupation: Retired

Qualifications, experience and expertise: Retired bus operator. Farmer for 30 years. Member and past President of Rotary Club of Koo Wee Rup/Lang Lang. Current asset handy man for OCC Ltd.

Special responsibilities: Asset Management Committee

Interest in shares: 36,750 Ordinary Shares

Glenister Malcolm McGregor

Director

Occupation: Farmer

Qualifications, experience and expertise: Owner and Manager sand pit for 35 years. Former Chairman of Lang Lang Town Committee and committee member for 17 years. Board member of CFSV-OCC since establishment. Former Chairman Lang Lang Community Medical Centre Inc for 11 years and current committee member. Lang Lang Aged Care Support Group.

Special responsibilities: Audit & Governance Committee and Finance & Budget Committee

Interest in shares: 45,000 Ordinary Shares

Dianne Lesley Loft

Director

Occupation: Newsagent

Qualifications, experience and expertise: Diploma of Retail Management, small business owner. Secretary Tooradin Public Hall Committee. Board member Tooradin Sports Club.

Special responsibilities: Asset Management Committee, Human Resources Committee

Interest in shares: Nil Ordinary Shares

Michael Alan Bushe

Director

Occupation: Construction Manager

Qualifications, experience and expertise: Registered Building Practitioner. Certificate IV Construction. Certificate IV in Occupational Health & Safety. President of the Pearcedale Tennis Club.

Special responsibilities: Asset Management Committee, Business Growth Committee

Interest in shares: Nil Ordinary Shares

Directors' report (continued)

Directors (continued)

Rex Graham Genoni

Director (Appointed 30 October 2014)

Occupation: Company Director

Qualifications, experience and expertise: President Tooradin & District Sports Club 32 years. Director and past Manager Gendore Enterprises Pty Ltd. Qualified welder and A grade auto-mechanic. Past Commodore Westernport Marina.

Special responsibilities: Business Growth Committee

Interest in shares: 5,900 Ordinary Shares

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

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

Company Secretary

The company secretary is Tania Hansen. Tania was appointed to the position of Secretary on 16 September 2003.

Tania holds a Bachelor Degree in Linguists and a Bachelor Degree in Behavioural Science. Previously Tania held the position of Treasurer and has a history in the banking sector. She has gained experience whilst involved at committee level on several local community committees. During 2010 Tania completed the Australian Institute of Company Directors (AICD) Company Directors Course. The course covers all aspects of a Director's role within the Australian context.

Principal Activities

The principal activities of the company during the financial year were facilitating **Community Bank**[®] services under management rights to operate franchised branches of Bendigo and Adelaide Bank Limited.

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

Operating results

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

Year ended 30 June 2015 \$	Year ended 30 June 2014 \$
150,456	104,299

Remuneration report

Key Management Personnel Remuneration

The Board is responsible for the determination of remuneration packages and policies applicable to the Branch Managers and all staff. Remuneration packages, including a performance based bonus package, are reviewed annually by the Human Resources Sub-Committee in conjunction with Bendigo and Adelaide Bank Limited through consultation with the Regional Manager. An annual recommendation is subsequently put to the full Board for approval of Management remuneration.

Management performance in relation to remuneration is reviewed annually in accordance with the company performance review policy. The Board believes the remuneration policy to be appropriate and effective to attract and retain the best local Branch management personnel. Bendigo and Adelaide Bank Limited is responsible for the determination of remuneration packages and policies applicable to seconded Branch Managers and all seconded staff.

Directors' report (continued)

Remuneration report (continued)

Key Management Personnel Remuneration (continued)

Key management personnel also receive a superannuation guarantee contribution required by the government, which was 9.5%, and do not receive any other retirement benefits. Some individuals, however, have chosen to sacrifice part of their salary to increase payments towards superannuation.

The contracts for service between the company and key management personnel are on a continuing basis, the terms of which are not expected to change in the immediate future. Upon retirement key management personnel are paid employee benefit entitlements accrued to date of retirement.

Employment agreements were entered into with key management personnel.

The Branch Managers do not participate in decision making that affects the whole or a substantial part of the business, nor do they have the capacity to affect significantly the company's financial standing. Branch Managers may be invited to attend Board meetings to provide directors with an overview of their Branch's performance.

Directors' remuneration

Remuneration paid to the directors is not based on company performance, but rather seen as a means to cover expenses incurred by the directors as they carry out their duties to the company. Director remuneration is reviewed as part of company strategy planning on a 3 yearly basis. The Executive Officer's remuneration is reviewed annually by the Executive Committee, who then recommend any changes to the full Board for consideration.

Tania Hansen received payment for services performed in a role as 'Executive Officer', including, but not limited to, community and public relations, corporate affairs administration, accounts liaison and other Company Secretarial duties. During the 2014-15 financial year Tania was paid \$69,504 (2014: \$64,723) and was provided with the use of a company car. Tania also received \$2,000 for director remuneration. Tania also assists Bendigo and Adelaide Bank Limited with their Director Education for **Community Bank**[®] Directors. Tania is remunerated by Bendigo and Adelaide Bank Limited at standard commercial rates for this work.

For the year ended 30 June 2015 the directors received total remuneration including superannuation, as follows:

	\$
Michael John Duff	2,000
Gordon Douglas Smale	2,000
Tania Lyn Hansen	2,000
Maxwell William Papley	2,000
Glenister Malcolm McGregor	2,000
Douglas Hugh Hamilton	2,000
Maxwell Arthur John Kneebone	2,000
Dianne Lesley Loft	2,000
Michael Alan Bushe	2,000
Rex Graham Genoni (Appointed 30 October 2014)	2,000
	20,000

Directors' report (continued)

Remuneration report (continued)

Transactions with directors

	2015 \$	2014 \$
Michael John Duff received remuneration for fuel supplies provided during the period under review.	13,969	17,034
Maxwell William Papley received remuneration for supplies provided by Larmax Trading.	80	1,297
Maxwell Arthur John Kneebone received remuneration for rent paid on the Lang Lang and Koo Wee Rup branches, owned by Westernport Road Lines (Vic) Superannuation Fund.	97,602	96,156
Tania Lyn Hansen received a salary, plus super and vehicle for secretary services provided during the period under review.	69,504	64,723
Dianne Lesley Loft received remuneration for supply of newspapers to the Tooradin & Coastal Villages branch.	472	460

Directors' shareholdings

	Balance at start of the year	Changes during the year	Balance at end of the year
Michael John Duff	30,000	-	30,000
Gordon Douglas Smale	500	-	500
Tania Lyn Hansen	500	-	500
Maxwell William Papley	30,250	-	30,250
Glenister Malcolm McGregor	45,000	-	45,000
Douglas Hugh Hamilton	8,600	-	8,600
Maxwell Arthur John Kneebone	31,500	5,250	36,750
Dianne Lesley Loft	-	-	-
Michael Alan Bushe	-	-	-
Rex Graham Genoni (Appointed 30 October 2014)	5,900	-	5,900

Community Bank® Directors Privileges Package

Our Community Company Limited has accepted the **Community Bank®** 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 any of the following branches; Lang Lang, Pearcedale, Koo Wee Rup, Narre Warren South or Tooradin & Coastal Villages. There is no requirement to own BEN shares and there is no qualification period to qualify to utilize the benefits. The package mirrors the benefits currently available to Bendigo and Adelaide Bank shareholders. The total benefits received by the directors from the Directors' Privilege Package are \$nil for the year ended 30 June 2015 (2014: \$nil).

Directors' report (continued)

Remuneration report (continued)

Community Bank® Directors Privileges Package

Options issued as part of remuneration for the year ended 30 June 2015.

No options have been issued as part of remuneration for the year ended 30 June 2015.

Dividends

	Year ended 30 June 2015	
	Cents	\$
Final dividends recommended:	21	153,799

Significant changes in the state of affairs

In the opinion of the directors there were no significant changes in the state of affairs of the company that occurred during the financial year under review not otherwise disclosed in this report or the financial statements.

Events since the end of the financial year

There are no matters or circumstances that have arisen since the end of the financial year 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, in future years.

Likely developments

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

Environmental regulation

The company is not subject to any significant environmental regulation.

Indemnification and insurance of directors and officers

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

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

Directors' report (continued)

Directors' meetings

The number of directors' meetings attended by each of the directors of the company during the year were:

	Board Meetings Attended		Committee Meetings Attended									
			Audit & Governance		Business Growth		Human Resources		Asset Management		Finance & Budget	
	A	B	A	B	A	B	A	B	A	B	A	B
Michael John Duff	13	11	-	-	1	1	-	-	-	-	1	1
Gordon Douglas Smale	13	12	-	-	1	1	-	-	-	-	1	1
Tania Lyn Hansen	13	13	-	-	1	1	-	-	-	-	1	1
Maxwell William Papley	13	9	-	-	-	-	-	-	-	-	-	-
Glenister Malcolm McGregor	13	12	-	-	-	-	-	-	-	-	1	1
Douglas Hugh Hamilton	13	11	-	-	-	-	-	-	-	-	-	-
Maxwell Arthur John Kneebone	13	7	-	-	-	-	-	-	-	-	-	-
Dianne Lesley Loft	13	10	-	-	-	-	-	-	-	-	-	-
Michael Alan Bushe	13	12	-	-	1	1	-	-	-	-	-	-
Rex Graham Genoni (Appointed 30 October 2014)	9	8	-	-	1	-	-	-	-	-	-	-

A = Eligible, B = Attended

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to 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 part of those proceedings.

No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 237 of the Corporations Act 2001.

Non audit services

The company may decide to employ the auditor on assignments additional to their statutory duties where the auditor's expertise and experience with the company are important. Details of the amounts paid or payable to the auditor (Andrew Frewin Stewart) for audit and non audit services provided during the year are set out in the notes to the accounts.

The board of directors has considered the position, in accordance with the advice received from the audit & governance committee and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are satisfied that the provision of non-audit services by the auditor, as set out in the notes did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

Directors' report (continued)

Non audit services (continued)

- all non-audit services have been reviewed by the audit & governance committee to ensure they do not impact on the impartiality and objectivity of the auditor
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, including reviewing or auditing the auditor's own work, acting in a management or a decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risk and rewards.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 19.

Signed in accordance with a resolution of the board of directors at Lang Lang, Victoria on 1 September 2015.



Michael John Duff,
Chairman

Auditor's independence declaration



Lead auditor's independence declaration under section 307C of the *Corporations Act 2001* to the directors of Our Community Company Ltd

As lead auditor for the audit of Our Community Company Ltd for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been:

- i) no contraventions of the auditor independence requirements of 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 'Andrew Frewin Stewart'.

Andrew Frewin Stewart
61 Bull Street, Bendigo Vic 3550

A handwritten signature in black ink, appearing to read 'David Hutchings'.

David Hutchings
Lead Auditor

Dated: 1 September 2015

Liability limited by a scheme approved under Professional Standards Legislation. ABLN 51 061 795 337.

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Financial statements

Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2015

	Notes	2015 \$	2014 \$
Revenue from ordinary activities	4	3,512,018	3,488,454
Employee benefits expense		(1,704,466)	(1,709,995)
Charitable donations, sponsorship, advertising and promotion		(676,202)	(682,722)
Occupancy and associated costs		(311,670)	(301,766)
Systems costs		(109,344)	(111,369)
Depreciation and amortisation expense	5	(129,734)	(128,068)
Finance costs	5	(2,167)	(58)
General administration expenses		(363,497)	(399,762)
Profit before income tax expense		214,938	154,714
Income tax expense	6	(64,482)	(50,415)
Profit after income tax expense		150,456	104,299
Total comprehensive income for the year		150,456	104,299
Earnings per share for profit attributable to the ordinary shareholders of the company:			
		¢	¢
Basic earnings per share	24	20.54	14.24

The accompanying notes form part of these financial statements.

Financial statements (continued)

Balance Sheet as at 30 June 2015

	Notes	2015 \$	2014 \$
ASSETS			
Current Assets			
Cash and cash equivalents	7	673,455	552,160
Trade and other receivables	8	315,239	348,356
Current tax asset	12	-	3,167
Total Current Assets		988,694	903,683
Non-Current Assets			
Property, plant and equipment	9	385,586	395,269
Financial assets	11	50,000	50,000
Intangible assets	10	379,481	447,905
Deferred tax asset	12	53,890	52,174
Total Non-Current Assets		868,957	945,348
Total Assets		1,857,651	1,849,031
LIABILITIES			
Current Liabilities			
Trade and other payables	13	328,772	322,680
Current tax liabilities	12	820	-
Borrowings	14	17,789	-
Provisions	15	148,723	134,432
Total Current Liabilities		496,104	457,112
Non-Current Liabilities			
Trade and other payables	13	98,689	132,188
Borrowings	14	22,063	-
Provisions	15	26,428	42,021
Total Non-Current Liabilities		147,180	174,209
Total Liabilities		643,284	631,321
Net Assets		1,214,367	1,217,710
Equity			
Issued capital	16	607,871	607,871
Retained earnings	17	606,496	609,839
Total Equity		1,214,367	1,217,710

The accompanying notes form part of these financial statements.

Financial statements (continued)

Statement of Changes in Equity for the year ended 30 June 2015

	Issued capital \$	Retained earnings \$	Total equity \$
Balance at 1 July 2013	607,871	681,310	1,289,181
Total comprehensive income for the year	-	104,299	104,299
Transactions with owners in their capacity as owners:			
Shares issued during period	-	-	-
Costs of issuing shares	-	-	-
Dividends provided for or paid	-	(175,770)	(175,770)
Balance at 30 June 2014	607,871	609,839	1,217,710
Balance at 1 July 2014	607,871	609,839	1,217,710
Total comprehensive income for the year	-	150,456	150,456
Transactions with owners in their capacity as owners:			
Shares issued during period	-	-	-
Costs of issuing shares	-	-	-
Dividends provided for or paid	-	(153,799)	(153,799)
Balance at 30 June 2015	607,871	606,496	1,214,367

The accompanying notes form part of these financial statements.

Financial statements (continued)

Statement of Cash Flows for the year ended 30 June 2015

	Notes	2015 \$	2014 \$
Cash flows from operating activities			
Receipts from customers		3,875,503	3,804,097
Payments to suppliers and employees		(3,474,940)	(3,484,498)
Interest received		13,391	13,554
Interest paid		(2,167)	(58)
Income taxes paid		(62,211)	(40,239)
Net cash provided by operating activities	18	349,576	292,856
Cash flows from investing activities			
Payments for property, plant and equipment		(90,423)	(50,947)
Proceeds for property, plant and equipment		44,802	-
Payments for intangible assets		(68,713)	(57,260)
Net cash provided by/(used in) investing activities		(114,334)	(108,207)
Cash flows from financing activities			
Proceeds from borrowings		39,852	-
Dividends paid		(153,799)	(175,770)
Net cash provided by/(used in) financing activities		(113,947)	(175,770)
Net increase in cash held		121,295	8,879
Cash and cash equivalents at the beginning of the financial year		552,160	543,281
Cash and cash equivalents at the end of the financial year	7(a)	673,455	552,160

The accompanying notes form part of these financial statements.

Notes to the financial statements

For year ended 30 June 2015

Note 1. Summary of significant accounting policies

a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standard Boards and the Corporations Act 2001. The company is a for-profit entity for the purpose of preparing the financial statements.

Compliance with IFRS

These financial statements and notes comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. These areas involving a higher degree of judgement or complexities, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

Historical cost convention

The financial statements have been prepared under the historical cost convention on an accruals basis as modified by the revaluation of financial assets and liabilities at fair value through profit or loss and where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

Comparative figures

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

Application of new and amended accounting standards

The following amendments to accounting standards and a new interpretation issued by the Australian Accounting Standards Board (AASB) became mandatorily effective for accounting periods beginning on or after 1 July 2014, and are therefore relevant for the current financial year.

- AASB 2012-3 Amendments to Australian Accounting Standards (AASB 132) – 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 (AASB 139) – Novation of Derivatives and Continuation of Hedge Accounting.
- AASB 2013-5 Amendments to Australian Accounting Standards (AASB 10) – Investment Entities.
- AASB 2014-1 Amendments to Australian Accounting Standards (Part A: Annual Improvements 2010-2012 and 2011-2013 Cycles).
- AASB 2014-1 Amendments to Australian Accounting Standards (Part B: Defined Benefit Plans: Employee Contributions Amendments to AASB 119).

Notes to the financial statements (continued)

Note 1. Summary of significant accounting policies (continued)

a) Basis of preparation (continued)

Application of new and amended accounting standards (continued)

- Interpretation 21 Levies.
- AASB 1031 Materiality, AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments (Part B: Materiality), AASB 2014-1 Amendments to Australian Accounting Standards (Part C: Materiality).

None of the amendments to accounting standards or the new interpretation issued by the Australian Accounting Standards Board (AASB) that became mandatorily effective for accounting periods beginning on or after 1 July 2014, materially affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods.

The following accounting standards and interpretations issued by the Australian Accounting Standards Board (AASB) become effective in future accounting periods.

	Effective for annual reporting periods beginning on or after
AASB 9 Financial Instruments, and the relevant amending standards.	1 January 2018
AASB 15 Revenue from Contracts with Customers and AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15.	1 January 2017
AASB 2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations.	1 January 2016
AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation.	1 January 2016
AASB 2014-6 Amendments to Australian Accounting Standards – Agriculture: Bearer Plants.	1 January 2016
AASB 2014-9 Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements.	1 January 2016
AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.	1 January 2016
AASB 2015-1 Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle.	1 January 2016
AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101.	1 January 2016
AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality.	1 July 2015
AASB 2015-4 Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australian Groups with a Foreign Parent.	1 July 2015
AASB 2015-5 Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception.	1 January 2016

Notes to the financial statements (continued)

Note 1. Summary of significant accounting policies (continued)

a) Basis of preparation (continued)

Application of new and amended accounting standards (continued)

The company has not elected to apply any accounting standards or interpretations before their mandatory operative date for the annual reporting period beginning 1 July 2014. Therefore the abovementioned accounting standards or interpretations have no impact on amounts recognised in the current period or any prior period.

Economic dependency - Bendigo and Adelaide Bank Limited

The company has entered into a franchise agreement with Bendigo and Adelaide Bank Limited that governs the management of the **Community Bank**[®] branches at Lang Lang, Narre Warren South, Pearcedale, Koo Wee Rup and Tooradin in the state of Victoria.

The branches operate as a franchise of Bendigo and Adelaide Bank Limited, using the name "Bendigo Bank" and the logo and system of operations of Bendigo and Adelaide Bank Limited. The company manages the **Community Bank**[®] branches on behalf of Bendigo and Adelaide Bank Limited, however all transactions with customers conducted through the **Community Bank**[®] branches are effectively conducted between the customers and Bendigo and Adelaide Bank Limited.

All deposits are made with Bendigo and Adelaide Bank Limited, and all personal and investment products are products of Bendigo and Adelaide Bank Limited, with the company facilitating the provision of those products. All loans, leases or hire purchase transactions, issues of new credit or debit cards, temporary or bridging finance and any other transaction that involves creating a new debt, or increasing or changing the terms of an existing debt owed to Bendigo and Adelaide Bank Limited, must be approved by Bendigo and Adelaide Bank Limited. All credit transactions are made with Bendigo and Adelaide Bank Limited, and all credit products are products of Bendigo and Adelaide Bank Limited.

The company promotes and sells the products and services, but is not a party to the transaction.

The credit risk (i.e. the risk that a customer will not make repayments) is for the relevant Bendigo and Adelaide Bank Limited entity to bear as long as the company has complied with the appropriate procedures and relevant obligations and has not exercised a discretion in granting or extending credit.

Bendigo and Adelaide Bank Limited provides significant assistance in establishing and maintaining the **Community Bank**[®] branches 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**[®] branches
- training for the branch manager and other employees in banking, management systems and interface protocol
- methods and procedures for the sale of products and provision of services
- security and cash logistic controls
- calculation of company revenue and payment of many operating and administrative expenses
- the formulation and implementation of advertising and promotional programs
- sales techniques and proper customer relations.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

Notes to the financial statements (continued)

Note 1. Summary of significant accounting policies (continued)

b) Revenue

Revenue is recognised when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the company and any specific criteria have been met. Interest and fee revenue is recognised when earned. The gain or loss on disposal of property, plant and equipment is recognised on a net basis and is classified as income rather than revenue. All revenue is stated net of the amount of Goods and Services Tax (GST).

Revenue calculation

Over the period from September 2013 to February 2015, Bendigo and Adelaide Bank Limited conducted a review of the **Community Bank**[®] model, known as 'Project Horizon'. This was conducted in consultation with the **Community Bank**[®] network. The objective of the review was to develop a shared vision of the **Community Bank**[®] model that positions it for success now and for the future.

The outcome of that review is that the fundamental franchise model and community participation remain unchanged. Changes to be implemented over a three year period reflect a number of themes, including a culture of innovation, agility and flexibility, network collaboration, director and staff development and a sustainable financial model. This will include changes to the financial return for **Community Bank**[®] companies from 1 July 2016. A funds transfer pricing model will be used for the method of calculation of the cost of funds, deposit return and margin. All revenue paid on core banking products will be through margin share. Margin on core banking products will be shared on a 50/50 basis.

The franchise agreement provides that three forms of revenue may be earned by the company – margin, commission and fee income. Bendigo and Adelaide Bank Limited decides the form of revenue the company earns on different types of products and services.

The revenue earned by the company is dependent on the business that it generates. It may also be affected by other factors, such as economic and local conditions, for example, interest rates.

Core banking products

Bendigo and Adelaide Bank Limited has identified some Bendigo Bank Group products and services as 'core banking products'. It may change the products and services which are identified as core banking products by giving the company at least 30 days' notice. Core banking products currently include Bendigo Bank branded home loans, term deposits and at call deposits.

Margin

Margin is arrived at through the following calculation:

- Interest paid by customers on loans less interest paid to customers on deposits,
- plus any deposit returns i.e. interest return applied by Bendigo and Adelaide Bank Limited for a deposit,
- minus any costs of funds i.e. interest applied by Bendigo and Adelaide Bank Limited to fund a loan.

Note: In very simplified terms, currently, deposit return means the interest Bendigo and Adelaide Bank Limited gets when it invests the money the customer deposits with it. The cost of funds means the interest Bendigo and Adelaide Bank Limited pays when it borrows the money to give a customer a loan. From 1 July 2016, both will mean the cost for Bendigo and Adelaide Bank Limited to borrow the money in the market.

Products and services on which margin is paid include variable rate deposits and variable rate home loans. From 1 July 2016, examples include Bendigo Bank branded at call deposits, term deposits and home loans.

Community engagements.

Lang Lang

Bell Park Scout Camp provides a place for Scout members from across Victoria to experience Scouting in a safe and secure location, whilst experiencing many of the varied outdoor challenges Scouting provides. Scouts can participate in activities such as camping, hiking and orienteering, whilst having fun and learning about the environment. Bell Park Scout Camp is located in the beautiful Lang Lang Reserve, Nyora and is 50 acres of cleared camp sites and bush land, surrounded by a further 100 acres of leased land by Scouts Victoria and managed by an appointed committee. The Lang Lang **Community Bank**® Branch was able to assist Bell Park Scout Camp with the purchase of a ride on mower to help with maintenance of the facility. Volunteers were previously struggling to keep up with the mowing using old and underperforming equipment. The new mower will allow them to not only maintain current areas in use, but also begin to reclaim previous areas, now overgrown due to a lack of attention.



Pearcedale



Beyond Disability is a community volunteer program helping disabled people to be socially connected from their own homes using computers and subsidised broadband. Computer equipment and regular training visits are provided, installed and maintained by a team of volunteers. Desktop computers are provided to housebound disabled and elderly residents and laptops may be provided to disabled school children and veterans with PTSD, depending on the need of the recipient. Volunteers continue to make home visits to assist with ongoing training and to ensure the resident is continuing to explore and connect with others via the internet. Richard Stubbs OAM started Beyond Disability in 1997 following a road accident which left him housebound and socially isolated. He founded Beyond Disability after experiencing how computer communications and the ability

to be socially connected restored his quality of life. Richard and his volunteer team work tirelessly to support the disabled and source funds to ensure the continuity of the program. Beyond Disability is supported by Pearcedale **Community Bank**® Branch.

Koo Wee Rup

Cranbourne West Primary School provides a Breakfast Club, Brunch Club and Emergency Lunch program to improve student concentration and behaviour, and encourage and support students to attend school more regularly. Up to 100 students receive before school breakfast, recess brunch and between 30-40 emergency lunches each day. The school is committed to providing its students, particularly those from disadvantaged backgrounds, the opportunity to learn and perform at their optimum level by ensuring they have access to adequate nutritious food. It is hoped that long term, educational, employment and social outcomes will be better than they otherwise would be. The school receives support for the program from Koo Wee Rup branch as well as local bakeries and other businesses who donate supplies. Three local employment agencies provide volunteers and work experience people to assist with running and delivering the program.



Narre Warren South



Students at the Narre Warren South P-12 College have been working on an Eco Shed project. This project aims to develop a sustainable area within the school grounds that will consist of edible garden and a shed with solar panels and timber insulation. The shed will act as a café where produce can be sold. Food that is grown in the garden will be sold in the café or used in rolls for lunch or on pizzas which are cooked on site in the pizza oven. The Eco Shed project intends to teach all students in the school about being environmentally friendly and sustainable, as well as giving the students some hands on design, horticulture, construction and commerce experience. The Narre Warren South branch has provided funding for the project.

Tooradin

The Tooradin Fire Brigade have received a defibrillator from Tooradin & Coastal Villages branch. Brigade Captain, David Bulman, explains that in addition to responding to fire calls, the brigade is usually first on scene to any road accidents or incidents. The defibrillator is now carried on the first tanker so is able to be utilised in all situations should a need arise. The brigade's 24 volunteers cover a wide area in and around Tooradin as well as primary support for the Koo Wee Rup, Clyde, Devon Meadows and Warneet areas. In 2014, the brigade responded to 105 calls. The brigade celebrated its 70th birthday in September this year.



Our Community Company Ltd

Gippsland Umpires Association (GUA) provide umpires for Australian Rules football competitions in the West Gippsland region of Victoria. Its headquarters and training facilities are located at Bellbird Park Recreation Reserve in Drouin. The association has a current membership of about 120, the majority of whom live in the Warragul-Drouin and Pakenham areas. GUA umpires officiate in matches arranged by four leagues – Ellinbank and District Football League, Gippsland League (primarily matches in the western end of the competition), Warragul and District Junior Football League, and AFL Gippsland Youth Girls Football League (western end matches). Matt Stevic and Chris Roberts are presently on the AFL senior list having progressed through the ranks of the GUA.

A joint sponsorship between Lang Lang, Koo Wee Rup, Bunyip & District and Neerim District **Community Bank**[®] branches sees GUA receive funding for their Green Shirt program. This is an umpire education and development program that aims to use experienced umpires to mentor new and inexperienced umpires. Under this program new and inexperienced umpires wear a green coloured shirt to signify that they are learning their craft and are being supported by a mentor in a similar fashion to a learner driver displaying 'L' plates on the road.



Notes to the financial statements (continued)

Note 1. Summary of significant accounting policies (continued)

b) Revenue (continued)

Margin (continued)

For those products and services on which margin is paid, the company is entitled to a share of the margin earned by Bendigo and Adelaide Bank Limited (i.e. income adjusted for Bendigo and Adelaide Bank Limited's interest expense and interest income return). However, if this reflects a loss, the company incurs a share of that loss.

Commission

Commission is a fee paid for products and services sold. It may be paid on the initial sale or on an ongoing basis. Commission is payable on the sale of an insurance product such as home contents. Examples of products and services on which ongoing commissions are paid include leasing and Sandhurst Trustees Limited products. This currently also includes Bendigo Bank branded fixed rate home loans and term deposits of more than 90 days, but these will become margin products from 1 July 2016.

Fee income

Fee income is a share of what is commonly referred to as 'bank fees and charges' charged to customers by Bendigo Bank Group entities including fees for loan applications and account transactions.

Ability to change financial return

Under the franchise agreement, Bendigo and Adelaide Bank Limited may change the form and amount of financial return that the company receives. The reasons it may make a change include changes in industry or economic conditions or changes in the way Bendigo and Adelaide Bank Limited earns revenue.

The change may be to the method of calculation of margin, the amount of margin, commission and fee income or a change of a margin to a commission or vice versa. This may affect the amount of revenue the company receives on a particular product or service. The effect of the change on the revenue earned by the company is entirely dependent on the change.

The change may be to the method of calculation of margin, the amount of margin, commission and fee income or a change of a margin to a commission or vice versa. This may affect the amount of revenue the company receives on a particular product or service. The effect of the change on the revenue earned by the company is entirely dependent on the change.

If Bendigo and Adelaide Bank Limited makes a change to the margin or commission on core banking products and services, it must not reduce the margin and commission the company receives on core banking products and services Bendigo and Adelaide Bank Limited attributes to the company to less than 50% (on an aggregate basis) of Bendigo and Adelaide Bank Limited's margin at that time. For other products and services, there is no restriction on the change Bendigo and Adelaide Bank Limited may make.

Bendigo and Adelaide Bank Limited must give the company 30 days' notice before it changes the products and services on which margin, commission or fee income is paid, the method of calculation of margin and the amount of margin, commission or fee income.

Monitoring and changing financial return

Bendigo and Adelaide Bank Limited monitors the distribution of financial return between **Community Bank**[®] companies and Bendigo and Adelaide Bank Limited on an ongoing basis.

Overall, Bendigo and Adelaide Bank Limited has made it clear that the **Community Bank**[®] model is based on the principle of shared reward for shared effort. In particular, in relation to core banking products and services, the aim is to achieve an equal share of Bendigo and Adelaide Bank Limited's margin.

Notes to the financial statements (continued)

Note 1. Summary of significant accounting policies (continued)

b) Revenue (continued)

Monitoring and changing financial return (continued)

As discussed above in relation to Project Horizon, among other things, there will be changes in the financial return for **Community Bank**[®] companies from 1 July 2016. This includes 50% share of margin on core banking products, all core banking products become margin products and a funds transfer pricing model will be used for the method of calculation of the cost of funds, deposit return and margin.

c) Income tax

Current tax

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

Deferred tax

Deferred tax is accounted for using the Balance Sheet liability method on temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities reflects the tax consequences that would follow from the manner in which the consolidated entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax and when the balances relate to taxes levied by the same taxation authority and the company entity intends to settle its tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the Statement of Profit or Loss and Other Comprehensive Income, except when it relates to items credited or debited to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

Notes to the financial statements (continued)

Note 1. Summary of significant accounting policies (continued)

d) Employee entitlements

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

The company contributes to a defined contribution plan. Contributions to employee superannuation funds are charged against income as incurred.

e) Cash and cash equivalents

For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the Balance Sheet.

f) Trade receivables and payables

Receivables are carried at their amounts due. The collectability of debts is assessed at balance date and specific provision is made for any doubtful accounts. Liabilities for trade creditors and other amounts are carried at cost that is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the company.

g) Property, plant and equipment

Plant and equipment, leasehold improvements and equipment under finance lease are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land. Depreciation is calculated on a straight line basis so as to write off the net cost of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated at the rate equivalent to the available building allowance using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

The following estimated useful lives are used in the calculation of depreciation:

• leasehold improvements	40 years
• plant and equipment	2.5 - 40 years
• furniture and fittings	4 - 40 years

h) Intangibles

The franchise fee paid to Bendigo and Adelaide Bank Limited has been recorded at cost and is amortised on a straight line basis over the life of the franchise agreement.

The renewal processing fee paid to Bendigo and Adelaide Bank Limited when renewing the franchise agreement has also been recorded at cost and is amortised on a straight line basis over the life of the franchise agreement.

Notes to the financial statements (continued)

Note 1. Summary of significant accounting policies (continued)

i) Payment terms

Receivables and payables are non interest bearing and generally have payment terms of between 30 and 90 days.

j) Borrowings

All loans are initially measured at the principal amount. Interest is recognised as an expense as it accrues.

k) Financial instruments

Recognition and initial measurement

Financial instruments, incorporating financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial instruments are initially measured at fair value plus transaction costs. Financial instruments are classified and measured as set out below.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires 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.

Classification and subsequent measurement

(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 using the effective interest rate method.

(ii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

(iii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with changes in such fair value (i.e. gains or losses) recognised in the Statement of Profit or Loss and Other Comprehensive Income. Available-for-sale financial assets are included in non-current assets except where they are expected to be sold within 12 months after the end of the reporting period. All other financial assets are classified as current assets.

(iv) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Notes to the financial statements (continued)

Note 1. Summary of significant accounting policies (continued)

k) Financial instruments (continued)

Impairment

At each reporting date, the entity assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

l) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership are transferred to the company are classified as finance leases. Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred. Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

m) Provisions

Provisions are recognised when the economic entity has a legal, equitable or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of past transactions or other past events, it is probable that a future sacrifice of economic benefits will be required and a reliable estimate can be made of the amount of the obligation.

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.

n) Contributed equity

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

o) Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

p) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Balance Sheet. Cash flows are included in the Statement of Cash Flows on a gross basis.

The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Notes to the financial statements (continued)

Note 2. Financial risk management

The company's activities expose it to a limited variety of financial risks: market risk (including currency risk, fair value interest risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the entity. The entity does not use derivative instruments.

Risk management is carried out directly by the board of directors.

(i) Market risk

The company has no exposure to any transactions denominated in a currency other than Australian dollars.

(ii) Price risk

The company is not exposed to equity securities price risk as it does not hold investments for sale or at fair value. The company is not exposed to commodity price risk.

(iii) Credit risk

The company has no significant concentrations of credit risk. It has policies in place to ensure that customers have an appropriate credit history. The company's franchise agreement limits the company's credit exposure to one financial institution, being Bendigo and Adelaide Bank Limited.

(iv) Liquidity risk

Prudent liquidity management implies maintaining sufficient cash and marketable securities and the availability of funding from credit facilities. The company believes that its sound relationship with Bendigo and Adelaide Bank Limited mitigates this risk significantly.

(v) Cash flow and fair value interest rate risk

Interest-bearing assets are held with Bendigo and Adelaide Bank Limited and subject to movements in market interest. Interest-rate risk could also arise from long-term borrowings. Borrowings issued at variable rates expose the company to cash flow interest-rate risk. The company believes that its sound relationship with Bendigo and Adelaide Bank Limited mitigates this risk significantly.

(vi) 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 Balance Sheet.

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

The distribution limit is the greater of:

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

Notes to the financial statements (continued)

Note 2. Financial risk management (continued)

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 2015 can be seen in the Statement of Profit or Loss and Other Comprehensive Income.

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

Note 3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

Taxation

Judgement is required in assessing whether deferred tax assets and certain tax liabilities are recognised on the Balance Sheet. Deferred tax assets, including those arising from un-recouped tax losses, capital losses and temporary differences, are recognised only where it is considered more likely than not that they will be recovered, which is dependent on the generation of sufficient future taxable profits.

Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. These depend on estimates of future sales volumes, operating costs, capital expenditure, dividends and other capital management transactions. Judgements are also required about the application of income tax legislation.

These judgements and assumptions are subject to risk and uncertainty. There is therefore a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognised on the Balance Sheet and the amount of other tax losses and temporary differences not yet recognised. In such circumstances, some or all of the carrying amount of recognised deferred tax assets and liabilities may require adjustment, resulting in corresponding credit or charge to the Statement of Profit or Loss and Other Comprehensive Income.

Estimation of useful lives of assets

The estimation of the useful lives of assets has been based on historical experience and the condition of the asset is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the company's share of the net identifiable assets of the acquired branch/agency at the date of acquisition. Goodwill on acquisition is included in intangible assets. Goodwill is not amortised. Instead, goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses.

Notes to the financial statements (continued)

Note 3. Critical accounting estimates and judgements (continued)

Goodwill (continued)

The calculations require the use of assumptions.

Impairment of assets

At each reporting date, the company reviews the carrying amounts of its tangible and intangible assets that have an indefinite useful life to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

Fair value measurement

Some of the company's assets and liabilities are measured at fair value for financial reporting purposes. The board of directors determine the appropriate valuation techniques and inputs for fair value measurements.

Fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly
- Level 3 inputs are unobservable inputs for the asset or liability.

In estimating the fair value of an asset or a liability, the company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the company engages third party qualified valuers to perform the valuation.

Notes to the financial statements (continued)

	2015 \$	2014 \$
Note 4. Revenue from ordinary activities		
Operating activities:		
- services commissions	3,468,757	3,474,900
- other revenue	24,136	-
Total revenue from operating activities	3,492,893	3,474,900
Non-operating activities:		
- interest received	13,120	13,554
- profit on sale of non-current assets	6,005	-
Total revenue from non-operating activities	19,125	13,554
Total revenues from ordinary activities	3,512,018	3,488,454

Note 5. Expenses

Depreciation of non-current assets:		
- plant and equipment	35,305	40,919
- motor vehicles	26,005	21,346
Amortisation of non-current assets:		
- franchise fee and franchise renewal fee	68,424	65,803
	129,734	128,068
Finance costs:		
- interest paid	2,167	58
Bad debts	3,536	7,595

Note 6. Income tax expense

The components of tax expense comprise:

- Current tax	66,197	54,858
- Movement in deferred tax	(1,715)	(4,443)
	64,482	50,415

The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax expense as follows

Operating profit	214,938	154,714
Prima facie tax on profit from ordinary activities at 30%	64,482	46,414

Notes to the financial statements (continued)

	2015 \$	2014 \$
Note 6. Income tax expense (continued)		
Add tax effect of:		
- non-deductible expenses	-	4,000
- timing difference expenses	1,715	4,444
	66,197	54,858
Movement in deferred tax	(1,715)	(4,443)
	64,482	50,415

Note 7. Cash and cash equivalents

Cash at bank and on hand	274,119	186,637
Term deposits	399,336	365,523
	673,455	552,160

Note 7.(a) Reconciliation to cash flow statement

The above figures reconcile to the amount of cash shown in the Statement of Cash Flows at the end of the financial year as follows:

Cash at bank and on hand	274,119	186,637
Term deposits	399,336	365,523
	673,455	552,160

Note 8. Trade and other receivables

Trade receivables	247,367	272,757
Prepayments	67,872	75,599
	315,239	348,356

Note 9. Property, plant and equipment

Leasehold improvements		
At cost	803,663	797,071
Less accumulated depreciation	(502,839)	(468,099)
	300,824	328,972
Motor vehicles		
At cost	134,989	161,374
Less accumulated depreciation	(50,227)	(95,077)
	84,762	66,297
Total written down amount	385,586	395,269

Notes to the financial statements (continued)

	2015 \$	2014 \$
Note 9. Property, plant and equipment (continued)		
Movements in carrying amounts:		
Leasehold improvements		
Carrying amount at beginning	328,972	321,204
Additions	6,592	48,597
Disposals	-	-
Less: depreciation expense	(34,740)	(40,829)
Carrying amount at end	300,824	328,972
Motor vehicles		
Carrying amount at beginning	66,297	85,384
Additions	(26,385)	2,349
Disposals	-	-
Less: depreciation expense	44,850	(21,436)
Carrying amount at end	84,762	66,297
Total written down amount	385,586	395,269

Note 10. Intangible assets

Franchise fee and renewal processing fee

At cost	555,536	555,536
Less: accumulated amortisation	(394,563)	(326,139)
	160,973	229,397
Goodwill on purchase of agency		
At cost	218,508	218,508
Total written down amount	379,481	447,905

Note 11. Financial Assets

Available-for-sale financial assets

Unlisted investments at fair value

Mt Eliza Community Enterprise Ltd	50,000	50,000
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Notes to the financial statements (continued)

	Note	2015 \$	2014 \$
Note 12. Tax			
Current:			
Income tax payable/(refundable)		820	(3,167)
Non-Current:			
Deferred tax assets			
- accruals		2,025	-
- employee provisions		52,545	52,936
		54,570	52,936
Deferred tax liability			
- accruals		680	762
Net deferred tax asset		53,890	52,174
Movement in deferred tax charged to Statement of Profit or Loss and Other Comprehensive Income		(1,716)	(4,444)

Note 13. Trade and other payables

Current:			
Trade creditors		308,635	303,706
Other creditors and accruals		20,137	18,974
		328,772	322,680
Non-Current:			
Other creditors and accruals		98,689	132,188

Note 14. Borrowings

Current:			
Chattel mortgage	20	17,789	-
Non-Current:			
Chattel mortgage	20	22,063	-

Borrowings comprise of two chattel mortgages' taken out for two Toyota Camry and Holden SVS Sportswagon in September 2014. The contract is for a three year term ending in January 2017, with implicit interest rate of 5.6003% (Holden) and 5.7003% (Toyota).

Notes to the financial statements (continued)

	2015 \$	2014 \$
Note 15. Provisions		
Current:		
Provision for annual leave	62,751	58,432
Provision for long service leave	85,972	76,000
	148,723	134,432
Non-Current:		
Provision for long service leave	26,428	42,021

Note 16. Contributed equity

732,375 ordinary shares fully paid (2014: 732,375)	732,375	732,375
Less: equity raising expenses	(124,504)	(124,504)
	607,871	607,871

Rights attached to shares

(a) Voting rights

Subject to some limited exceptions, each member has the right to vote at a general meeting.

On a show of hands or a poll, each member attending the meeting (whether they are attending the meeting in person or by attorney, corporate representative or proxy) has one vote, regardless of the number of shares held. However, where a person attends a meeting in person and is entitled to vote in more than one capacity (for example, the person is a member and has also been appointed as proxy for another member) that person may only exercise one vote on a show of hands. On a poll, that person may exercise one vote as a member and one vote for each other member that person represents as duly appointed attorney, corporate representative or proxy.

The purpose of giving each member only one vote, regardless of the number of shares held, is to reflect the nature of the company as a community based company, by providing that all members of the community who have contributed to the establishment and ongoing operation of the **Community Bank**[®] branch have the same ability to influence the operation of the company.

(b) Dividends

Generally, dividends are payable to members in proportion to the amount of the share capital paid up on the shares held by them, subject to any special rights and restrictions for the time being attaching to shares. The franchise agreement with Bendigo and Adelaide Bank Limited contains a limit on the level of profits or funds that may be distributed to shareholders. There is also a restriction on the payment of dividends to certain shareholders if they have a prohibited shareholding interest (see below).

(c) Transfer

Generally, ordinary shares are freely transferable. However, the directors have a discretion to refuse to register a transfer of shares.

Subject to the foregoing, shareholders may transfer shares by a proper transfer effected in accordance with the company's constitution and the Corporations Act 2001.

Notes to the financial statements (continued)

Note 16. Contributed equity (continued)

Prohibited shareholding interest

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

In summary, a person has a prohibited shareholding interest if any of the following applies:

- They control or own 10% or more of the shares in the company (the “10% limit”).
- In the opinion of the board they do not have a close connection to the community or communities in which the company predominantly carries on business (the “close connection test”).
- Where the person is a shareholder, after the transfer of shares in the company to that person the number of shareholders in the company is (or would be) lower than the base number (the “base number test”). The base number is 209. As at the date of this report, the company had 224 shareholders.

As with voting rights, the purpose of this prohibited shareholding provision is to reflect the community-based nature of the company.

Where a person has a prohibited shareholding interest, the voting and dividend rights attaching to the shares in which the person (and his or her associates) have a prohibited shareholding interest, are suspended.

The board has the power to request information from a person who has (or is suspected by the board of having) a legal or beneficial interest in any shares in the company or any voting power in the company, for the purpose of determining whether a person has a prohibited shareholding interest. If the board becomes aware that a member has a prohibited shareholding interest, it must serve a notice requiring the member (or the member’s associate) to dispose of the number of shares the board considers necessary to remedy the breach. If a person fails to comply with such a notice within a specified period (that must be between three and six months), the board is authorised to sell the specified shares on behalf of that person. The holder will be entitled to the consideration from the sale of the shares, less any expenses incurred by the board in selling or otherwise dealing with those shares.

In the constitution, members acknowledge and recognise that the exercise of the powers given to the board may cause considerable disadvantage to individual members, but that such a result may be necessary to enforce the prohibition.

	2015	2014
	\$	\$
Note 17. Retained earnings		
Balance at the beginning of the financial year	609,839	681,310
Net profit from ordinary activities after income tax	150,456	104,299
Dividends paid or provided for	(153,799)	(175,770)
Balance at the end of the financial year	606,496	609,839

Notes to the financial statements (continued)

	2015 \$	2014 \$
Note 18. Statement of Cash Flows		
Reconciliation of profit from ordinary activities after tax to net cash provided by operating activities		
Profit from ordinary activities after income tax	150,456	104,299
Non cash items:		
- depreciation	61,310	62,265
- amortisation	68,424	65,803
- profit on disposal of asset	(6,005)	-
Changes in assets and liabilities:		
- (increase)/decrease in receivables	33,117	(69,433)
- (increase)/decrease in other assets	2,271	10,176
- increase/(decrease) in payables	41,305	105,491
- increase/(decrease) in provisions	(1,302)	14,255
Net cash flows provided by operating activities	349,576	292,856

Note 19. Fair value measurement

This section explains the judgements and estimates made in determining the fair values of the company's assets that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the applicable assets have been classified into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

At 30 June 2015	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Recurring fair value measurements:				
Available-for-sale financial assets				
Listed investments:				
- shares in listed corporations	-	-	-	-
Unlisted investments:				
- shares in other corporations	50,000	-	-	50,000
	50,000	-	-	50,000
Total assets at fair value	50,000	-	-	50,000

Notes to the financial statements (continued)

Note 19. Fair value measurement (continued)

At 30 June 2014	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Recurring fair value measurements:				
Available-for-sale financial assets				
Listed investments:				
- shares in listed corporations	-	-	-	-
Unlisted investments:				
- shares in other corporations	50,000	-	-	50,000
	50,000	-	-	50,000
Total assets at fair value	50,000	-	-	50,000

There were no transfers between Level 1 and Level 2 during the reporting period. The company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of available-for-sale financial assets traded in active markets is based on the quoted market price at the close of business at the end of the reporting period.

Level 2: The fair value of property, plant and equipment is based on a valuation performed by a third party qualified valuer using quoted prices for similar assets in an active market.

Level 3: There were no fair value measurements by the Level 3 fair value hierarchy.

	2015 \$	2014 \$
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Note 20. Leases

Finance lease commitments

Payable - minimum lease payments:

- not later than 12 months	19,587	-
- between 12 months and 5 years	22,851	-
- greater than 5 years	-	-
Minimum lease payments	42,438	-
Less future finance charges	(2,586)	-
Present value of minimum lease payments	39,852	-

The finance lease comprises of two chattel mortgages' taken out for two Toyota Camry and Holden SVS Sportswagon in September 2014. The contract is for a three year term ending in January 2017, with implicit interest rate of 5.6003% (Holden) and 5.7003% (Toyota).

Notes to the financial statements (continued)

	2015 \$	2014 \$
Note 20. Leases (continued)		
Operating lease commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements		
Koo Wee Rup		
Payable - minimum lease payments:		
- not later than 12 months	40,333	44,000
- between 12 months and 5 years	-	40,333
- greater than 5 years	-	-
	40,333	84,333
Lang Lang		
Payable - minimum lease payments:		
- not later than 12 months	15,560	46,680
- between 12 months and 5 years	-	15,560
- greater than 5 years	-	-
	15,560	62,240
Narre Warren South		
Payable - minimum lease payments:		
- not later than 12 months	47,078	49,862
- between 12 months and 5 years	-	70,638
- greater than 5 years	-	-
		120,500
Tooradin		
Payable - minimum lease payments:		
- not later than 12 months	18,022	18,022
- between 12 months and 5 years	54,066	72,087
- greater than 5 years	-	-
		90,109
Pearcedale		
Payable - minimum lease payments:		
- not later than 12 months	33,943	24,958
- between 12 months and 5 years	103,768	51,726
- greater than 5 years	-	-
		76,684

Notes to the financial statements (continued)

Note 20. Leases (continued)

The company holds various premises leases for each of the branch locations. The leases generally have a five-year term, with options for additional five-year terms. Rent is payable on a monthly basis.

	2015 \$	2014 \$
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Note 21. Auditor's remuneration

Amounts received or due and receivable by the auditor of the company for:

- audit and review services	5,050	4,950
- share registry services	2,992	2,538
- non audit services	1,790	2,294
	9,832	9,782

Note 22. Director and related party disclosures

Key Management Personnel Remuneration

Short-term employee benefits	20,000	16,000
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Detailed remuneration disclosures are provided in the remuneration report, included as part of the directors' report.

Transactions with Key Management Personnel

Michael John Duff received remuneration for fuel supplies provided during the period under review.	13,969	17,034
Maxwell William Papley received remuneration for supplies provided by Larmax Trading.	80	1,297
Maxwell Arthur John Kneebone received remuneration for rent paid on the Lang Lang and Koo Wee Rup branches, owned by Westernport Road Lines (Vic) Superannuation Fund.	97,602	96,156
Tania Lyn Hansen received a salary, plus super and vehicle for secretary services provided during the period under review.	69,504	64,723
Dianne Lesley Loft received remuneration for supply of newspapers to the Tooradin & Coastal Villages branch.	472	460

Key Management Personnel Shareholdings

Ordinary shares fully paid	157,500	146,350
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Detailed shareholding disclosures are provided in the remuneration report, included as part of the directors' report.

Notes to the financial statements (continued)

	2015 \$	2014 \$
Note 23. Dividends paid or provided		
a. Dividends paid during the year		
Current year dividend		
100% (2014: 100%) franked dividend - 21 cents (2014: 24 cents) per share	153,799	175,770
b. Dividends proposed and not recognised as a liability		
Current year final dividend		
Nil% (2014: 100%) franked dividend - 21 cents (2014: 21 cents) per share	153,799	153,799
The tax rate at which dividends have been franked is 30% (2014: 30%).		
Dividends proposed will be franked at a rate of 30% (2014: 30%).		
c. Franking account balance		
Franking credits available for subsequent reporting periods are:		
- franking account balance as at the end of the financial year	364,181	340,546
- franking debits that will arise from refund of income tax as at the end of the financial year	(1,206)	(2,959)
- franking debits that will arise from the payment of dividends recognised as a liability at the end of the financial year	-	-
Franking credits available for future financial reporting periods:	362,975	337,587
- franking debits that will arise from payment of dividends proposed or declared before the financial report was authorised for use but not recognised as a distribution to equity holders during the period	-	-
Net franking credits available	362,975	337,587

Note 24. Earnings per share

		2015 \$	2014 \$
(a)	Profit attributable to the ordinary equity holders of the company used in calculating earnings per share	150,456	104,299
		Number	Number
(b)	Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	732,375	732,375

Note 25. Events occurring after the reporting date

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

Notes to the financial statements (continued)

Note 26. Contingent liabilities and contingent assets

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

Note 27. Registered office/Principal place of business

The entity is a company limited by shares, incorporated and domiciled in Australia. The registered office and principal place of business is:

Registered Office	Principal Place of Business
29 Westernport Road Lang Lang VIC 3984	29 Westernport Road Lang Lang VIC 3984

Note 28. Segment reporting

The economic entity operates in the service sector where it facilitates **Community Banking** services pursuant to a franchise agreement with Bendigo and Adelaide Bank Limited. The economic entity operates in one geographic area being Lang Lang, Pearcedale, Koo Wee Rup, Narre Warren South and Tooradin.

Geographic Segments	Total Revenue		Profit from ordinary activities after income tax		Net Assets	
	2015 \$	2014 \$	2015 \$	2014 \$	2015 \$	2014 \$
Lang Lang	736,136	717,014	64,037	18,664	326,018	344,580
Pearcedale	874,923	859,039	185,112	126,677	173,074	223,182
Koo Wee Rup	659,826	697,209	32,381	40,154	39,640	92,487
Narre Warren South	809,355	829,997	155,120	50,416	87,949	145,183
Tooradin	394,758	385,195	(90,725)	(131,612)	37,510	112,956
Unallocated	37,020	-	-195,469	-	550,176	299,322
Total	3,512,018	3,488,454	150,456	104,299	1,214,367	1,217,710

Notes to the financial statements (continued)

Note 29. Financial instruments

Financial Instrument Composition and Maturity Analysis

The table below reflects the undiscounted contractual settlement terms for all financial instruments, as well as the settlement period for instruments with a fixed period of maturity and interest rate.

Financial instrument	Floating interest		Fixed interest rate maturing in						Non interest bearing		Weighted average	
			1 year or less		Over 1 to 5 years		Over 5 years					
	2015 \$	2014 \$	2015 \$	2014 \$	2015 \$	2014 \$	2015 \$	2014 \$	2015 \$	2014 \$	2015 %	2014 %
Financial assets												
Cash and cash equivalents	274,119	186,637	399,336	365,523	-	-	-	-	-	-	3.32	2.00
Receivables	-	-	-	-	-	-	-	-	245,100	270,218	N/A	N/A
Financial liabilities												
Interest bearing liabilities	-	-	17,789	-	22,063	-	-	-	-	-	5.62	0.00
Payables	-	-	-	-	-	-	-	-	183,019	175,910	N/A	N/A

Net Fair Values

The net fair values of financial assets and liabilities approximate the carrying values as disclosed in the balance sheet. The company does not have any unrecognised financial instruments at the year end.

Credit Risk

The maximum exposure to credit risk at balance date to recognised financial assets is the carrying amount of those assets as disclosed in the balance sheet and notes to the financial statements.

There are no material credit risk exposures to any single debtor or group of debtors under financial instruments entered into by the economic entity.

Interest Rate Risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from the interest bearing financial assets and liabilities in place subject to variable interest rates, as outlined above.

Sensitivity Analysis

The company has performed sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in interest rates.

Notes to the financial statements (continued)

Note 29. Financial instruments (continued)

Sensitivity Analysis (continued)

As at 30 June 2015, the effect on profit and equity as a result of changes in interest rate, with all other variables remaining constant would be as follows:

	2015 \$	2014 \$
Change in profit/(loss)		
Increase in interest rate by 1%	6,336	5,522
Decrease in interest rate by 1%	6,336	5,522
Change in equity		
Increase in interest rate by 1%	6,336	5,522
Decrease in interest rate by 1%	6,336	5,522

Directors' declaration

In accordance with a resolution of the directors of Our Community Company Limited, we state that:

In the opinion of the directors:

- (a) the financial statements and notes of the company are 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 2015 and of its performance for the financial year ended on that date; and
 - (ii) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
- (c) the audited remuneration disclosures set out in the remuneration report section of the directors' report comply with Accounting Standard AASB124 Related Party Disclosures and the Corporations Regulations 2001.

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



Michael John Duff,
Chairman

Signed on the 1st of September 2015.

Independent audit report



Independent auditor's report to the members of Our Community Company Ltd

Report on the financial report

We have audited the accompanying financial report of Our Community Company Ltd, which comprises the balance sheet as at 30 June 2015, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making fair accounting estimates that are reasonable in the circumstances. 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.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our 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, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the company's financial position and of its performance.

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

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Independent audit report (continued)

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written auditor's independence declaration, a copy of which is included in the directors' report.

Auditor's opinion on the financial report

In our opinion:

1. The financial report of Our Community Company Ltd is in accordance with the *Corporations Act 2001* including giving a true and fair view of the company's financial position as at 30 June 2015 and of its financial performance and its cash flows for the year then ended and complying with Australian Accounting Standards and the Corporations Regulations 2001.
2. The financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Report on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion on the remuneration report

In our opinion, the remuneration report of Our Community Company Ltd for the year ended 30 June 2015, complies with section 300A of the *Corporations Act 2001*.



Andrew Frewin Stewart
61 Bull Street, Bendigo Vic 3550



David Hutchings
Lead Auditor

Dated: 1 September 2015

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www.bendigobank.com.au/lang-lang

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Koo Wee Rup branch
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Shop 8, Amberly Park Shopping Centre,
101 Seebeck Drive, Narre Warren VIC 3805
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www.bendigobank.com.au/narre-warren-south

Tooradin & Coastal Villages branch
Shop 2, 106 South Gippsland Highway,
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