



# Annual Report 2017

Parkdale / Mentone East  
Community Branch Limited

ABN 20 089 783 166

Parkdale **Community Bank**<sup>®</sup> Branch  
Mentone East **Community Bank**<sup>®</sup> Branch

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# Chairman's report

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For year ending 30 June 2017

After 18 years of being associated with the Parkdale and Mentone East **Community Bank**<sup>®</sup> branches, initially in the establishment of the Parkdale **Community Bank**<sup>®</sup> Branch and as your Chairman for the past 12 years, I am stepping down in that role.

This decision provides the opportunity to restructure the Board of Directors and to meet the Board's succession plans. I will stay on as Deputy Chairman for the present to provide support to my successor and fellow Directors.

When the Parkdale **Community Bank**<sup>®</sup> Branch was established some 18 years ago the **Community Bank**<sup>®</sup> concept was embryonic and with an exciting but unknown future. The concept has proved to deliver more benefits to the community than was envisaged at the outset. Not only does the concept provide old style banking where you can meet with a professional Manager and interface with diligent and friendly staff, the return by way of sponsorship to the community is indeed our 'point of difference'.

The support from various dedicated Directors over the years is much appreciated. Ken Ryall who acted as both Director and Company Secretary retired from both these roles during the year. Ken was of great assistance in creating the sound financial position that your company currently portrays. I am confident that the new Directors filling these roles will continue to take your company forward and further enhance its sound financial position.

I extend my appreciation to our Managers, previously Chris and now Peter, both of whom have been instrumental in building the assets under management, which in turn has provided the avenue to enhance the company's overall financial strength.

My appreciation must also be directed to both the present and past staff who over the years have provided exceptional service to our community and customer base. On many occasions this appreciation has been confirmed by many of our clients.

My thanks must also go to our customers and shareholders whose support over the years has underpinned the success that the Parkdale and Mentone East **Community Bank**<sup>®</sup> branches, has achieved.

I wish the Board, management, staff, shareholders and customers all the very best for the future.

Yours faithfully,



**Robert J Wilson**  
**Chairman**

# Manager's report

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For year ending 30 June 2017

For the year ended 30 June 2017 we saw continued growth leaving us with the below book figures:

**Parkdale**

Deposits      \$126,916 million

Loans          \$49,901 million

**Mentone East**

Deposits      \$45,737 million

Loans          \$19,810 million

Total book now stands over \$ \$242 million.

Lending continued to grow at a greater than budgeted rate. Deposits flat lined a little after two previously outstanding growth years.

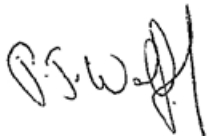
The branch also reached target on Insurance and related products.

The staff at both outlets are to be congratulated on their efforts and have contributed greatly to growth of the business. They work as a team and provide service that is unquestionably a main driver to the success of the company.

We continue to support many local organisations, from many and varied sporting clubs, to numerous schools and pre-schools and too many charitable local institutions. It is a key driver of the company and will continue to be so, to support the local community in the best way possible

To continue to grow and increase our ability to support the community we again ask the community to support our business. It is a simple model. The more we grow the more we can contribute back into the local area.

Thanks to the Board for their continued support.



**Peter Wolff**  
**Manager**

# Grant and sponsorship report

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For year ending 30 June 2017

During the last financial year, Parkdale and Mentone East **Community Bank**<sup>®</sup> branches are very pleased to have been able to make available \$68,198 to a number of community organisations, these include:

- Boomerang Bags for an innovative volunteer community environmental programme.
- City of Kingston Community Busses
- Combined Pensioners & superannuants Assn
- Eisteddfod by the Bay
- Kingston Hawthorn Cricket Club
- Mentone Community Assistance Bureau for Community & Emergency Relief
- Mentone Cricket Club
- Mentone Pre-school
- Mordialloc Jazz Orchestra for free concerts on the foreshore.
- Mordialloc Sporting Club (Football Club - Cricket Club –Netball Club)
- Mordi-Brae Junior Football Club
- Old Mentonians Football Club
- Parkdale Bowling Club
- Parkdale Cricket Club
- Parkdale Pre-School
- Parkdale Vultures Football Club
- St Bedes/Mentone Tigers Football Club
- St Patricks Primary School
- St Bedes/Mentone Tigers Football Club
- Southern FM Community Broadcasters
- Woodlands Golf Club Charity event

These are made possible thanks to our customers banking with their **Community Bank**<sup>®</sup> branch.



**Lesley McGurgan**  
**Sponsorship and Grants Committee**

# Directors' report

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For the financial year ended 30 June 2017

Your Directors present this report on the company for the financial year ended 30 June 2017.

## Directors

The names of the Directors in office at any time during or since the end of the last years are:

Robert John Wilson	Colin Watson	Florence Lesley McGurgan
Kenneth Merton Ryall	Stephen Thomas Budge	James Ashley Cashion

Directors have been in office since the start of the financial year to date of this report unless otherwise stated.

## Directors' meetings

During the year ended 30 June 2017, 11 Directors' meetings (including the AGM in November 2016) were held and attended as follows:

	No. Of meetings held while in office	Meetings attended
Robert Wilson	11	10
Colin Watson	11	10
Florence Lesley McGurgan	11	11
Kenneth Merton Ryall	11	10
Stephen Thomas Budge	11	11
James Ashley Cashion	11	11

## Operating result

The profit of the company for the financial year after providing for income tax amounted to:

Year ended 30 June 2017 \$	Year ended 30 June 2016 \$
268,153	86,075

## Principal activities

The principal activities of the company during the course of the year are those of operating a Franchise Agreement with the Bendigo and Adelaide Bank Limited providing personal and commercial banking services to the community.

No significant change in the nature of these activities occurred during the year.

## Significant changes in the state of affairs

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

## After balance date events

No matters or circumstances have arisen since the end of the financial year which 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 subsequent financial years.

# Directors' report (continued)

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## **Future developments**

The company expects to maintain the present status and level of operations and hence there are no likely developments in the operations in the future years.

## **Environmental issues**

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or a State or Territory

## **Dividends**

A fully franked dividend of 8 cents per share was declared and paid during the year in respect to the financial year ended 30 June 2017.

## **Share options**

No options over issued or interest in the company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

## **Directors benefits**

No Director, except as detailed below, received or has become entitled to receive, during or since the financial year, a benefit because of a contract made by the company or related body corporate with a Director, a firm which a Director is a member or an entity in which a Director has a substantial interest.

Mr. K.M. Ryall, as Kenneth M. Ryall & Associates Pty Ltd, invoiced the company for accounting & company secretarial services to the value of \$18,569.00 (\$18,700.00 in 2015/16), inclusive of GST.

## **Indemnifying Officer or Auditor**

No indemnities have been given or agreed to be given or insurance premiums paid or agreed to be paid. during or since the end of the financial year, to any person who is or has been an Officer or Auditor of the company.

## **Proceedings on behalf of company.**

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

Signed in accordance with a resolution of the Board of Directors.



**Robert John Wilson**  
**Director**



**James Ashley Cashion**  
**Director**

Dated 28 September 2017

# Auditor's independence declaration

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PARKDALE/MENTONE EAST COMMUNITY BRANCH LIMITED ABN 20 089 783 166

**AUDITORS INDEPENDENCE DECLARATION UNDER SECTION 307C OF  
THE CORPORATION ACT 2001**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2017 there have been:

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

Name of Firm            R Harman & Associates

Name of Partner        ~~Rowan Harman~~

Date                      27/09/2017

Address                 2/73 Robinson Street

DANDENONG VIC 3175



# Financial statements

## Statement of Financial Performance for the year ended 30 June 2017

	Note	2017 \$	2016 \$
<b>Income</b>			
Commission/ margin & other fees		1,478,722	1,192,948
Marketing Development Fund contributions		47,500	100,000
Interest received		3,437	3,783
Dividends received		41,288	37,984
Trust distributions		6,795	7,101
Miscellaneous other income			100
<b>Gross income from trading</b>		<b>1,577,743</b>	<b>1,341,917</b>
<b>Expenditure</b>			
Accounting / professional fees		17,573	19,049
Advertising / marketing / sponsorship		84,679	83,691
Amortisation charges		51,650	54,209
ATM charges		13,586	19,405
Bank charges		638	969
Bad debts		685	4,390
Interest paid		243	755
Depreciation		1,996	7,607
Insurance		21,439	21,766
Information technology		48,291	47,223
Rent & occupancy		87,949	86,772
Repairs & maintenance		5,482	7,188
Administration & general	2	133,535	135,351
Wages & salaries		659,553	645,507
Superannuation		59,803	60,526
Other staff costs		585	6,738
Payroll tax		5,090	15,276
Workcover insurance		1,891	2,530
		<b>1,194,668</b>	<b>1,218,953</b>
<b>Trading operating profit / ( loss)</b>		<b>383,075</b>	<b>122,965</b>
Abnormal / extraordinary items		-	-
<b>Net operating profit / (loss)</b>		<b>383,075</b>	<b>122,965</b>

The accompanying notes form part of these financial statements.

This statement is to be read in conjunction with the compilation report.

## Financial statements (continued)

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### Appropriation Profit and Loss Statement for the year ended 30 June 2017

	Note	2017 \$	2016 \$
Profit (loss) from ordinary activities before income tax		383,075	122,965
Income tax expense		114,923	36,890
<b>Profit (loss) from ordinary activities after income tax</b>		<b>268,153</b>	<b>86,075</b>
Accumulated income (accumulated losses) at the beginning of the year		1,127,822	1,041,747
<b>Total available for distribution (loss)</b>		<b>1,395,975</b>	<b>1,127,822</b>
Distribution to members (cumulative)		(482,556)	(419,151)
<b>Accumulated income (losses) at end of financial year</b>		<b>913,419</b>	<b>708,671</b>

The accompanying notes form part of these financial statements.  
This statement is to be read in conjunction with the compilation report.

# Financial statements (continued)

## Balance Sheet for the year ended 30 June 2017

	Note	2017 \$	2016 \$
<b>Current assets</b>			
Cash on hand		400	400
Cash at bank - operating account		34,323	82,256
Other bank accounts		278,299	14,720
Term deposits held		123,921	120,968
Prepayments		25,606	6,423
Receivables due		125,017	102,564
<b>Non-current assets</b>			
Investments - shares at market value	5	492,971	401,238
Managed funds - Sandhurst - at market value	5	286,285	278,614
<b>Intangible assets</b>			
Goodwill, formation etc	4	0	25,392
<b>Fixed assets</b>			
Property, vehicles and equipment	3	977,935	996,681
<b>Total assets</b>		<b>2,344,758</b>	<b>2,029,257</b>
<b>Current liabilities</b>			
Creditors		65,873	42,450
GST payable / (receivable)		(2,852)	1,698
Payroll & PAYG payables/ other		(13,271)	(18,910)
Provision for staff annual leave		22,644	40,702
Provision for income tax		68,192	6,280
Loans due		3,593	3,233
Australian Taxation Office T.F.N. Liabilities		11,309	11,309
Dividend liabilities		4,581	4,659
<b>Non-current liabilities</b>			
Provision for long service leave		47,086	68,697
Other liabilities		980	980
<b>Total liabilities</b>		<b>208,133</b>	<b>161,096</b>
<b>Net assets</b>		<b>2,136,625</b>	<b>1,868,160</b>
<b>Equity</b>			
Issued ordinary shares		1,268,072	1,268,072
Asset revaluation reserves		(44,866)	(108,583)
Retained earnings		645,266	622,596
Current unappropriated profit (loss)		268,153	86,075
<b>Total equity</b>		<b>2,136,625</b>	<b>1,868,160</b>

The accompanying notes form part of these financial statements.  
This statement is to be read in conjunction with the compilation report.

# Financial statements (continued)

## Statement of Cash Flows for the year ended 30 June 2017

	Note	2017 \$	2016 \$
<b>Cash flows from operating activities</b>			
Receipts from franchiser		1,503,769	1,310,515
Payments to suppliers & employees		(1,181,785)	(1,233,988)
<b>Net receipts after payments</b>		<b>321,984</b>	<b>76,527</b>
Interest income received			
Operating account		270	406
<b>Net cash outflow (inflow)</b>		<b>322,254</b>	<b>76,933</b>
<b>Cash flows from investing activities</b>			
Acquisition of listed shares			
Acquisition of other investments			(117,590)
Repayments of mortgage loan		360	(29,891)
Other receipts (payments)		(28,169)	31,713
Withdrawals (transfer to) from other investments			
		<b>(27,809)</b>	<b>(115,768)</b>
<b>Cash flows from dividends</b>			
Receipts from cash dividends			
Payments of cash dividends		(63,482)	(63,404)
Movement in prepayments		(19,183)	13,749
<b>Cash flows from taxation activities</b>			
Company tax instalments paid		(20,000)	(28,058)
Company tax refunds received		23,866	0
<b>Net increase (decrease) in cash held</b>		<b>215,646</b>	<b>(116,548)</b>
Cash at beginning of financial year		97,376	213,924
<b>Cash at end of financial year</b>		<b>313,022</b>	<b>97,376</b>
<b>Reconciliation of cash</b>			
Cash at end of financial year consists of :			
Cash on hand		400	400
Cash at bank		312,622	96,976
<b>Cash at end of financial year</b>		<b>313,022</b>	<b>97,376</b>

The accompanying notes form part of these financial statements.  
This statement is to be read in conjunction with the compilation report.

# Notes to the financial statements

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For year ended 30 June 2017

## Note 1. Statement of significant accounting policies

This financial report is special purpose financial report prepared in order to satisfy the financial report preparation requirements of the Corporations Act 2001. The Directors have determined that the company is not reporting entity.

Parkdale / Mentone East Community Branch Limited is a company limited by shares, incorporated and domiciled in Australia.

### Basis of preparation

The report has been prepared in accordance with the requirements of the Corporations Act 2001 and the following applicable Accounting Standards:

AASB 101:	Presentation of Financial Statements
AASB 107:	Cash Flow Statements
AASB 108:	Accounting Policies, Changes in Accounting Estimates and Errors
AASB 110:	Events after the Balance Sheet Date
AASB 117:	Leases
AASB 1031:	Materiality
AASB 1031:	Interpretation and Application Standards

No other Australian Accounting Standards or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

### Reporting basis and conventions

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

The following is a summary of the material accounting policies adopted by the company in the presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated. Refer to Note 'changes in accounting policies' for comparison to the previous financial year.

### Accounting policies

#### **(a) Income tax**

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

# Notes to the financial statements (continued)

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

### (a) Income tax (continued)

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income tax legislation and the anticipation that the company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

### (b) Property, plant & equipment

Each class of property, plant and equipment are carried at cost or fair value less, where applicable, any accumulated depreciation.

#### Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction) based on the periodic valuations, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to be the revalued amount of the asset.

#### Plant and equipment

Plant and equipment is measured on a cost basis.

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

Increases in the carrying amount arising on revaluations to the revaluation are credited to the reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on revalued carrying amount of the asset charged to the income statement and depreciation based on the assets original cost is transferred from the revaluation reserve to retained earnings.

#### Depreciation

The depreciable amount of all fixed assets, excluding freehold land, is depreciated on either a straight line or diminishing value basis over the useful lives to the company commencing from the time the asset is held ready for use.

The assets' residual values and useful lives are reviewed and adjusted if appropriate at each balance sheet date.

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

The depreciation rates (diminishing value method) used for each class of depreciable asset are :

Equipment	10% - 30 %
Furniture & Fittings	10% - 20 %
Merchandising Equipment	20 %
Leasehold Improvements	20 % - 40 %

# Notes to the financial statements (continued)

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

### **(c) Leases**

Leases of fixed assets, where substantially all risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the entity are classified as finance leases.

Finance leases are capitalised recording an asset and a liability at the lower of the amount 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 the estimated useful lives of the lease term.

Lease payments under operating lease, where substantially all the risk and benefits remain with the lessor, are charged as expenses in the period in which they are incurred.

### **(d) Inventories**

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenses. Overheads are applied on the basis of normal operating capacity. Costs are assigned on a first-in-first-out basis.

### **(e) Investments**

Non-current investments are measured on the cost basis. The carrying amount of investments is reviewed annually to ensure it is not in excess of recoverable amount of these investments. The Recoverable amount is assessed from the quoted market value for shares in listed companies or the underlying net assets for other non-listed corporations

### Financial assets

#### Recognition

Financial assets are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

#### Available-for-sale financial assets

All investments are classified as available –for-sale financial assets. Available –for-sale assets are reflected at fair value unless the fair value can not be readily measured. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

#### Fair Value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option trading pricing models.

### **(f) Intangibles**

#### Goodwill

Goodwill is initially recorded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to its net assets at the date of acquisition. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on disposal of an entity include the carrying amount of goodwill relating to the entity sold.

# Notes to the financial statements (continued)

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

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

Provision is made for the liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year have been measured at the amount expected to be paid when the liability is settled, plus related on-costs. Employee entitlements payable later than one year have been measured at the present value of estimated future cash out flows to be made for those entitlements.

### **(h) Provisions**

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

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

Cash and Cash Equivalents include cash on hand, deposits held at call with banks of financial institutions, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short term borrowings in current liabilities on the balance sheet.

### **(j) Revenue**

Revenue from the sale of goods is recognised upon delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend income is recognised when the right to receive a dividend has been established. Dividends received from associates and joint venture entities are accounted for in accordance with the equity method of accounting.

Revenue from rendering services is recognised upon the delivery of the service to the customer.

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

### **(k) Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use of sale.

All other borrowing costs are recognised in income in the period in which they are incurred.

### **(l) Goods and Service Tax (GST)**

Revenues, expense and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the assets as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows policy.

### **(m) Comparative figures**

Comparative figures has been adjusted to conform with changes in presentation for the current financial year where required by accounting standards or a result of changes in accounting policy.

### Critical accounting estimates and judgments

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.



# Notes to the financial statements (continued)

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

### (m) Comparative figures (continued)

#### Key estimates - valuation of goodwill

No impairment loss has been recognised in respect of goodwill for the year as the company believes that the goodwill is supported by forecasts indicating profitability in the next financial year. However should the projected turnover figures be outside 90% of budgeted figures incorporated in the forecast calculations, an impairment loss will be recognised up to the maximum carrying value of goodwill at the 30 June 2017.

	2017 \$	2016 \$
<b>Note 2. Other expenses</b>		
ASIC Filing Fees	1,884	1,548
Independent audit fee	7,146	0
Commissions paid	150	134
Journals etc	0	52
Board meeting expenses	2,072	557
Cash delivery / management costs	4,788	4,331
Payroll service fee	2,430	2,720
Sundry	1,309	6,049
Directors honoraria	14,000	12,000
Refunds paid	950	2,796
Freight / cartage	12,498	12,907
Minor equipment < \$ 500	353	1,404
Legal	0	884
Postage	3,104	3,180
Printing & stationery	18,311	19,419
Telephone	14,617	16,101
Cleaning/ waste disposal	13,002	13,682
Electricity & gas	8,372	8,630
Security costs	3,226	
Staff uniforms	0	7,968
Staff amenities	1,357	641
Staff training	0	5,500
Managers expenses	4,067	4,014
Travel & accommodation	1,042	709
Conferences costs	9,359	8,264
Entertainment	101	0

## Notes to the financial statements (continued)

	2017 \$	2016 \$
Note 2. Other expenses (continued)		
MV Travel	2,876	48
Credit agency report fees	2,708	1,813
General	3,813	
	<b>133,535</b>	<b>135,351</b>

### Note 3. Property, vehicles and equipment

Furniture & fittings	38,248	38,248
Less accumulated depreciation	(37,452)	(37,214)
Plant & equipment	110,186	110,186
Less accumulated depreciation	(101,017)	(99,259)
Land & buildings	1,075,451	1,075,451
Less accumulated depreciation	(113,136)	(97,256)
Computers and office equipment		
Less accumulated depreciation		
Leasehold improvements	11,975	11,975
Less accumulated depreciation	(6,320)	(5,450)
	<b>977,935</b>	<b>996,681</b>

### Note 4. Intangible assets etc

Franchise fee capitalised	68,746	78,718
Amortisation of franchise fee	(68,746)	(53,326)
Start up assistance	15,000	15,000
Amortisation of start up assistance	(15,000)	(15,000)
Goodwill	220,000	220,000
Amortisation of goodwill	(220,000)	(220,000)
Feasibility study costs	10,000	10,000
Amortisation of feasibility study costs	(10,000)	(10,000)
Formation costs	29,968	29,968
Amortisation of formation costs	(29,968)	(29,968)
Capital raising costs - formation	8,942	8,942
Amortisation capital raising costs	(8,942)	(8,942)
	-	<b>25,392</b>

## Notes to the financial statements (continued)

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	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>Note 5. Market value of investments held</b>		
Listed shares at cost	537,427	508,535
Movement in market value	(44,456)	(107,297)
Managed funds at cost	286,695	279,900
Movement in market value	(410)	(1,286)
	<b>779,256</b>	<b>679,853</b>

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# Directors' declaration

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The Directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies prescribed in Note 1 to the financial statements.

The Directors of the company declare that:

1. the financial statements and notes are in accordance with the Corporations Act 2001:
  - (a) comply with Accounting Standards described in Note 1 to the financial statements and the Corporation Regulations; and
  - (b) give a true and fair view of the company's financial position as at 30 June 2017 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
2. in the Director's opinion , there are reasonable grounds to believe that the company will be able to pay debts as and when they become due and payable.

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



**Robert John Wilson**  
**Director**



**James Ashley Cashion**  
**Director**

Dated 28 September 2017

# Independent audit report

## ROBINSON ST ACCOUNTING PTY. LTD. INCORPORATING R.HARMAN & ASSOCIATES

ABN 52 106 176 845

Certified Practising Accountants

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF  
PARKDALE/MENTONE EAST COMMUNITY BRANCH LIMITED ABN 20 089 783 166

### Scope

We have audited the financial report of Parkdale/Mentone East Community Branch Limited for the year ended 30 June 2017 as set out on pages 3 to 19. The company's directors are responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on them to the members of the company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements and statutory requirements so as to present a view which is consistent with our understanding of the company's financial position, the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

### Audit opinion

In our opinion, the financial report of Parkdale/Mentone East Community Branch Limited presents fairly in accordance with:

- (a) the Corporations Law, including:
  - (i) giving a true and fair view of the company's financial position at 30 June 2017 and its performance for the year ended on that date, and
  - (ii) complying with Accounting Standards and the Corporations Regulations, and
- (b) other mandatory professional reporting requirements.

R.HARMAN & ASSOCIATES  
Certified Practising Accountants



ROWAN HARMAN  
Dated this 27<sup>th</sup> September 2017.  
Dandenong Victoria

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228 Como Parade West, Parkdale VIC 3195  
Phone: (03) 9587 6500 Fax: (03) 9587 5886

Mentone East **Community Bank**<sup>®</sup> Branch  
Shop C1 Thrift Park Shopping Centre  
171 Nepean Hwy, Mentone VIC 3194  
Phone: (03) 9584 1622 Fax: 03 9584 2944

Franchisee: Parkdale/Mentone East Community Branch Limited  
230 Como Parade West, Parkdale VIC 3195  
Phone: (03) 9587 6500 Fax: (03) 9587 5886  
ABN: 20 089 783 166

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