Plantagenet Community Financial Services Ltd

ABN 89 096 387 816

ANNUAL REPORT 2013

Mount Barker **Community Bank®** Branch

Contents

Chairman's report

For year ending 30 June 2013

As Chairman of Plantagenet Community Financial services I am pleased to present this our twelfth Annual Report. This year we have grown, and although less than our budget expectations, we have still grown which is a testament to the hard work of our staff with difficult times in the area, probably worse than during the GFC. Our profitability is also less than we had hoped with margins being squeezed due to the drop in interest rates and very strong competition from the big banks. We have also had an adjustment with our income from Bendigo and Adelaide Bank. The aim of the **Community Bank®** model is to have a roughly 50 - 50 balance in profits and as this had got out of kilter in our favour the Bendigo and Adelaide Bank had to go through 'Restoring the Balance' which has had a significant effect on our balance sheet. Due to this the Board has decided that we will pay a dividend of 4% this year to reflect our changed circumstances.

This year our **Community Bank®** branch has returned a little over $60,000 by way of sponsorships and with $19,000 from dividends we have now returned over $800,000 back to our community. Australia wide this figure is now over $110 million from 297 **Community Bank®** branches.

A wide range of community organisations have again been assisted from both junior and senior sports, several items in the schools, the men's shed redevelopment, riding for the disabled and the RSL We Remember Them park. In Walpole we assisted the Yachting regatta, a defibrillator for the sporting club and again the Pioneer Cup.

Our Walpole Agency continues to make a good contribution, the ATM proving to be a popular service to visitors and its community.

These achievements could not have been made without the efforts of our dedicated staff, particularly Leigh Wallace our Manager. There have been some staff movements this year with Jenni Barlow going to manage Goomalling, Rachell Wierobiej on maternity leave, and we welcome our two new staff members, Lisa Clode and Brooke Heal to the branch. Both are doing exceptionally well in their positions.

I would also like to thank my Board of Directors who have put in many hours of voluntary effort helping to strengthen our community in the many local projects that we have helped support. We also have a new junior observer in Brianna Simmons who has also been a good contributor to the Board.

We continue to work with our neighbouring **Community Bank®** branches of Albany and Tambellup-Cranbrook and continue to jointly sponsor several projects, the Great Southern Art Trail, the Spring Film Festival and the Junior and High School netball.

All this would not be possible without our shareholders and particularly all of our customers who bank with us, with half the profits of their banking staying here and being invested locally.

So the more support you can give your **Community Bank®** branch, the more we can invest in local projects to keep our community strong.

John Howard
Chairman

Manager’s report

For year ending 30 June 2013

It is my pleasure once again to report on another year of business growth for our **Community Bank®** branch in what can only be described as a challenging environment. The combined deposit and lending portfolio stands at $116.6 million as at 30 June, which has enabled us to deliver community sponsorships and grants in addition to a dividend payment to our shareholders.

Our continued success is largely due to the support of a very committed branch team who take pride in delivering a high level of customer service in a professional manner. This year has seen several staff changes with Jenni Barlow being promoted to a Branch Manager role which is most pleasing to us as acknowledgement of the investment we have made in the training and up-skilling of our staff resources. With this loss and Rachell Wierobiej taking parental leave, it has provided opportunities for staff promotions which is the case for Vicki Baker and Sharon Ansell, and for new people to join our successful local business. We have welcomed Brooke Heal and Lisa Clode to our team that also includes Alana Thomson and Carla Fulcher.

As always, I would like to thank the staff for their outstanding contribution and am extremely proud of the manner in which they have faced the challenges of these staff movements particularly as we have not experienced any changes for over four years.

I would also like to acknowledge the efforts of Julie-Anne and Adele who provide excellent customer service at our Walpole Agency which is part of, and has contributed to the growth to our branch. The agency provides banking services Monday to Friday for the Walpole area which is supported by an ATM in the town.

The tireless and selfless endeavours of our Board members are once again acknowledged and in particular their most important corporate governance role and community engagement activities to ensure that our business is relevant in our community.

Our branch continues to grow with the assistance and support of our loyal shareholders, customers and sponsored groups as we continue to strengthen our existing relationships. Whilst facing challenging times ahead considering global economic uncertainty, we are confident that we can continue to grow, prosper and deliver benefits to our local community with your continued support and advocacy.

Leigh Wallace
Branch Manager

Bendigo and Adelaide Bank report

For year ending 30 June 2013

This year has marked two very significant milestones for our **Community Bank®** network, celebrating its 15th anniversary of operation while also reaching $100 million in community contributions. Both achievements could not have been accomplished without your ongoing support as shareholders and customers.

The **Community Bank®** network has grown considerably since it was first launched in 1998, in partnership with the people from the western Victorian farming towns of Rupanyup and Minyip. For these communities the **Community Bank®** model was seen as a way to restore branch banking services to the towns, after the last of the major banks closed its services. But in the years since, the **Community Bank®** model has become so much more.

The **Community Bank®** network has returned more than $20 million in contributions to local communities in this financial year alone. Our branches have been able to fund health services, sports programs, aged care facilities, education initiatives, community events and much more.

These contributions have come at a time of continued economic uncertainty, and shows the high level of support the **Community Bank®** model has in the communities in which it operates.

While our established branches grow their business at a healthy rate, demand for the model in other communities continues to be strong. There are currently another 40 **Community Bank®** sites in development, and 15 new branches are expected to open in the next 12 months.

At the end of the financial year 2012/13 the **Community Bank®** network had achieved the following:

- Returns to community – $102 million
- **Community Bank®** branches – 298
- **Community Bank®** branch staff – more than 1,460
- **Community Bank®** company Directors – 1,925
- Banking business – $24.46 billion
- Customers – 640,159
- Shareholders – 72,062
- Dividends paid to shareholders since inception – $30.88 million.

Almost 300 communities have now partnered with Bendigo and Adelaide Bank, to not only enhance banking services, but more importantly take the profits their banking business generates and reinvest it in local groups and projects that will ultimately strengthen their community. This $100 million goes to new community facilities, improved services, more opportunities for community engagement activities and generally speaking, a more prosperous society.

The communities we partner with also have access to Bendigo and Adelaide Bank's extensive range of other community building solutions including the Community Enterprise Foundation™ (philanthropic arm), Community Sector Banking (banking service for not-for-profit organisations), Generation Green™ (environment and sustainability initiative), Community Telco® (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.

Bendigo and Adelaide Bank report (continued)

Bendigo and Adelaide Bank remains one of the few banks globally to be awarded an upgraded credit rating since the onset of the Global Financial Crisis. 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.

While continued ratings affirmation is a welcome boost for the Bank and its partners, trading conditions are still difficult, with consumer confidence and demand for credit remaining low, and competition remaining very strong for retail deposits.

Not surprisingly, these factors continue to place pressure on the 50/50 margin share agreement between the Bank and our **Community Bank®** partners. As a result some **Community Bank®** companies are receiving much more than 50 per cent of revenue earned.

In April, the Bank took a further step to restore this balance, ensuring that the **Community Bank®** model produced a more appropriate balance of return for all stakeholders within this partnership model. The Bank will continue to review this remuneration model to ensure it is fair and equitable for all parties and is as resilient as possible to the fast changing economic environment.

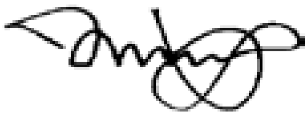
It continues to be Bendigo and Adelaide Bank’s vision to be Australia’s leading customer-connected bank. We believe our strength comes from our focus on the success of our customers, people, partners and communities. We take a 100-year view of our business; we listen and respect every customer’s choice, needs and objectives. We partner for sustainable long-term outcomes and aim to be relevant, connected and valued.

This is what drives each and every one of our people and we invite you as **Community Bank®** shareholders to support us as we work with your community to deliver on our goals and ensure our sustained and shared success.

As **Community Bank®** shareholders you are part of something special, a unique banking movement which has evolved into a whole new way of thinking about banking and the role it plays in modern society.

With the community’s support, there really is no limit to what can be achieved under the **Community Bank®** model, and I look forward to seeing what the next 15 years will bring.

I thank you for your important support of your local **Community Bank®** branch.



Robert Musgrove
Executive Community Engagement

Directors' report

For the financial year ended 30 June 2013

Your Directors submit their report of the company for the financial year ended 30 June 2013.

Directors

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

John Reginald Howard
Chairperson
Farmer

Marie O'Dea
Vice Chairperson (appointed 04/12/12)
Project Officer

Elizabeth Van Zeyl
Vice Chairperson (resigned 4/12/12)
Director
Farmer

Geoffrey Thomas Jones
Secretary/Treasurer (resigned 26/11/12)
Retired Farmer
Resigned 26/11/12

Lesley Forbes Righton
Secretary/Treasurer (appointed 04/12/12)
Accountant

Melanie Greeney
Director
Veterinary Assistant

Gert Messmer
Director
Electrical Engineer

Grant Cooper
Director
Farmer

Dominic Le Cerf
Director
Manager

Brian Appleby
Director
Retired Principal
Appointed 26/11/12

James Rhind
Director
Teacher
Appointed 26/11/12

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

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

Principal activities

The principal activities of the company during the course of the financial year were in providing **Community Bank®** services under management rights to operate a franchised branch of Bendigo and Adelaide Bank Limited.

There has 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 / (loss) after income tax expense for the company for the financial year was $59,498 (2012: $58,992).

Dividends

	Year ended 30 June 2013	
	Cents per share	$
Final dividends recommended:		
Dividends paid in the year:		
- Interim for the year	-	-
- As recommended in the prior year report	8	38,762

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.

Significant events after the balance date

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 providing banking services to the community.

Directors' benefits

No Director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company, controlled entity 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 financial interest. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by Directors shown in the company's accounts, or the fixed salary of a full-time employee of the company, controlled entity or related body corporate.

Indemnification and insurance of Directors and Officers

The company has agreed to indemnify each Officer (Director, Secretary or employee) out of assets of the company to the relevant extent against any liability incurred by that person arising out of the discharge of their duties, except where the liability arises out of conduct involving dishonesty, negligence, breach of duty or the lack of good faith. The company also has Officers' insurance for the benefit of Officers of the company against any liability occurred by the Officer, which includes the Officers' liability for legal costs, in or arising out of the conduct of the business of the company or in or arising out of the discharge of the Officer's duties.

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 during the year were:

Director	Board meetings #
John Reginald Howard	10 (11)
Marie O'Dea	11 (11)
Elizabeth Van Zeyl	8 (11)
Geoffrey Thomas Jones	5 (5)
Lesley Forbes Righton	9 (11)
Melanie Greeney	10 (11)
Gert Messmer	10 (11)
Grant Cooper	7 (11)
Dominic Le Cerf	5 (11)
Brian Appleby	6 (6)
James Rhind	8 (8)

The first number is the meetings attended while in brackets is the number of meetings eligible to attend.

Company Secretary

Lesley Forbes Righton has been the Company Secretary of Plantagenet Community Financial Services Ltd since 2012.

Corporate governance

The company has implemented various corporate governance practices, which include:

(a) Director approval of operating budgets and monitoring of progress against these budgets;

(b) Ongoing Director training; and

(c) Monthly Director meetings to discuss performance and strategic plans.

Auditor independence declaration

The Directors received the following declaration from the Auditor of the company:

Auditor's independence declaration

In relation to our audit of the financial report of Plantagenet Community Financial Services Ltd for the financial year ended 30 June 2013, to the best of my knowledge and belief, there have been no contraventions of the Auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

Paul Gilbert
Albany

22 August 2013

Signed in accordance with a resolution of the Board of Directors at Mount Barker on 26 September 2013.

John Reginald Howard	**Lesley Forbes Righton**
Chairman	**Secretary/Treasurer**

Financial statements

Statement of comprehensive income for the year ended 30 June 2013

	Note	2013 $	2012 $
Revenue from ordinary activities	2	947,724	1,011,762
Employee benefits expense	3	(477,166)	(480,902)
Charitable donations and sponsorship		(60,776)	(114,992)
Depreciation and amortisation expense	3	(16,436)	(21,517)
Finance costs	3	(13,648)	(19,887)
Other expenses from ordinary activities		(292,448)	(286,820)
Profit/(loss) before income tax expense		**87,250**	**87,644**
Income tax expense	4	(27,752)	(28,652)
Profit/(loss) after income tax expense		**59,498**	**58,992**
Other comprehensive income			
Revaluation of property plant and equipment		-	
Income tax on other comprehensive income		-	-
Total comprehensive income		**59,498**	**58,992**

Earnings per share (cents per share)			
- basic for profit / (loss) for the year	23	12.28	12.18
- diluted for profit / (loss) for the year	23	12.28	12.18

The accompanying notes form part of these financial statements.

Statement of financial position as at 30 June 2013

	Note	2013 $	2012 $
Current assets			
Cash and cash equivalents	6	102,358	77,189
Receivables	7	95,549	101,686
Loan receivables	8	150,000	30,000
Prepayments		154	170
Total current assets		**348,061**	**209,045**
Non-current assets			
Property, plant and equipment	9	281,838	292,308
Loan receivables	8	95,000	245,000
Deferred tax assets	4	-	-
Intangible assets	10	40,593	45,798
Other		118	118
Total non-current assets		**417,549**	**583,224**
Total assets		**765,610**	**792,269**
Current liabilities			
Payables	11	62,611	69,694
Loans and borrowings	12	54,839	52,583
Current tax payable	4	5,664	370
Provisions	13	36,969	36,374
Total current liabilities		**160,083**	**159,021**
Non-current liabilities			
Loans and borrowings	12	111,850	161,244
Deferred tax liability	4	674	205
Provisions	13	14,018	13,550
Total non-current liabilities		**126,542**	**174,999**
Total liabilities		**286,625**	**334,020**
Net assets		**478,985**	**458,249**
Equity			
Share capital	14	484,525	484,525
Retained earnings / (accumulated losses)	15	(5,540)	(26,276)
Total equity		**478,985**	**458,249**

The accompanying notes form part of these financial statements.

Statement of cash flows
for the year ended 30 June 2013

	Note	2013 $	2012 $
Cash flows from operating activities			
Cash receipts in the course of operations		947,121	1,008,266
Cash payments in the course of operations		(822,021)	(807,192)
Interest paid		(13,648)	(20,357)
Interest received		1,490	1,593
Income tax paid		(21,987)	(44,838)
Net cash flows from/(used in) operating activities	**16b**	**90,955**	**137,472**
Cash flows from investing activities			
Proceeds from sale of plant		-	14,546
Payments for property, plant and equipment		(8,174)	(49,370)
Net cash flows from/(used in) investing activities		**(8,174)**	**(34,824)**
Cash flows from financing activities			
Proceeds from borrowings		30,000	33,000
Payment for loan		250	-
Repayment of borrowings		(48,895)	(77,255)
Dividends paid		(38,967)	(38,762)
Net cash flows from/(used in) financing activities		**(57,612)**	**(83,017)**
Net increase/(decrease) in cash held		25,169	19,631
Cash and cash equivalents at start of year		77,189	57,558
Cash and cash equivalents at end of year	**16a**	**102,358**	**77,189**

The accompanying notes form part of these financial statements.

Statement of changes in equity for the year ended 30 June 2013

	Note	2013 $	2012 $
Share capital			
Balance at start of year		484,525	484,525
Issue of share capital		-	-
Share issue costs		-	-
Balance at end of year		**484,525**	**484,525**
Retained earnings / (accumulated losses)			
Balance at start of year		(26,276)	(46,506)
Profit/(loss) after income tax expense		59,498	58,992
Dividends paid	22	(38,762)	(38,762)
Balance at end of year		**(5,540)**	**(26,276)**

The accompanying notes form part of these financial statements.

Notes to the financial statements

For year ended 30 June 2013

Note 1. Basis of preparation of the financial report

(a) Basis of preparation

Plantagenet Community Financial Services Limited ('the company') is domiciled in Australia. The financial statements for the year ending 30 June 2013 are presented in Australian dollars. The company was incorporated in Australia and the principal operations involve providing **Community Bank®** services.

The financial statements have been prepared on an accruals basis and are based on historical costs and do not take into account changing money values or, except where stated, current valuations of non-current assets.

The financial statements require judgements, estimates and assumptions to be made that affect the application of accounting policies. Actual results may differ from these estimates.

(b) Statement of compliance

The financial report is a general purpose financial report, which has been prepared in accordance with Australian Accounting Standards (including Australian Interpretations) adopted by the Australian Accounting Standards Board and the Corporations Act 2001. The financial report of the company complies with International Financial Reporting Standards and interpretations adopted by the International Accounting Standards Board. Australian Accounting Standards that have been recently issued or amended, but are not yet effective, have not been adopted in the preparation of this financial report.

(c) Significant accounting policies

The following is a summary of the material accounting policies adopted. The accounting policies have been consistently applied and are consistent with those applied in the 30 June 2012 financial statements.

Income tax

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled.

Property, plant and equipment

Property, plant and equipment are brought to account at cost less accumulated depreciation and any impairment in value.

Land and buildings are measured at fair value less accumulated depreciation.

Notes to the financial statements (continued)

Note 1. Basis of preparation of the financial report (continued)

Property, plant and equipment (continued)

Depreciation is calculated on a straight line basis over the estimated useful life of the asset as follows:

Class of asset	Depreciation rate
Buildings	2.5%
Plant & equipment	10-20%

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

If any such indication exists and where the carrying value exceeds the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater 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.

Revaluations

Following initial recognition at cost, land and buildings are carried at a revalued amount which is the fair value at the date of the revaluation less any subsequent accumulated depreciation on buildings and accumulated impairment losses.

Fair value is determined by reference to market based evidence, which is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date.

Recoverable amount of assets

At each reporting date, the company assesses whether there is any indication that an asset is impaired. Where an indicator of impairment exists, the company makes a formal estimate of the recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

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 Statement of Financial Position. 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 ATO are classified as operating cash flows.

Notes to the financial statements (continued)

Note 1. Basis of preparation of the financial report (continued)

Employee benefits

The provision for employee benefits to wages, salaries and annual leave represents the amount which the company has a present obligation to pay resulting from employees' services provided up to the reporting date. The provision has been calculated on undiscounted amounts based on wage and salary rates expected to be paid and includes related on-costs.

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

Intangibles

Franchise fee is amortised on a straight line basis at a rate of 10% per annum. Establishment costs have been initially recorded at cost and amortised on a straight line basis at a rate of 20% per annum.

Cash

Cash on hand and in banks are stated at nominal value.

For the purposes of the cash flow statement, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.

Comparative figures

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

Revenue

Interest and fee revenue is recognised when earned. All revenue is stated net of the amount of goods and services tax (GST).

Receivables and payables

Receivables and payables are non interest bearing and generally have payment terms of between 30 and 90 days. Receivables are recognised and carried at original invoice amount less a provision for any uncollected debts. 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.

Loans and borrowings

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

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.

Notes to the financial statements (continued)

Note 1. Basis of preparation of the financial report (continued)

Share capital

Issued and paid up capital is 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.

	2013 $	2012 $

Note 2. Revenue from ordinary activities

	2013 $	2012 $
Operating activities		
- services commissions	938,937	1,010,169
- other revenue	7,297	-
Total revenue from operating activities	**946,234**	**1,010,169**
Non-operating activities:		
- interest received	1,490	1,593
- other revenue	-	-
Total revenue from non-operating activities	**1,490**	**1,593**
Total revenue from ordinary activities	**947,724**	**1,011,762**

Note 3. Expenses

	2013 $	2012 $
Employee benefits expense		
- wages and salaries	410,525	404,636
- superannuation costs	64,810	74,460
- workers' compensation costs	1,680	1,003
- other costs	151	803
	477,166	**480,902**
Depreciation of non-current assets:		
- plant and equipment	6,681	10,541
- buildings	4,550	3,186
Amortisation of non-current assets:		
- intangibles	5,000	7,500
- establishment costs	205	290
	16,436	**21,517**
Finance costs:		
- Interest paid	13,648	19,887
Bad debts	281	14

	2013 $	2012 $

Note 4. Income tax expense

The prima facie tax on profit/(loss) before income tax is reconciled to the income tax expense as follows:

	2013 $	2012 $
Prima facie tax on profit/(loss) before income tax at 30%	26,175	26,293
Add tax effect of:		
- Non-deductible expenses	1,577	2,359
- Prior year tax losses not previously brought to account	-	-
- Future income tax benefit not brought to account	-	-
Current income tax expense	**27,752**	**28,652**
Origination and reversal of temporary differences	-	-
Deferred income tax expense	**-**	**-**
Income tax expense	**27,752**	**28,652**
Tax liabilities		
Current tax payable	**5,664**	**370**
Deferred tax assets		
Future income tax benefits arising from tax losses are recognised at reporting date as realisation of the benefit is regarded as probable.	**-**	**-**
Deferred tax liabilities		
Future income tax liability arising from tax profits are recognised at reporting date as realisation of the liability is regarded as probable.	**674**	**205**

Note 5. Auditors' remuneration

Amounts received or due and receivable by Lincolns for:

	2013 $	2012 $
- Audit or review of the financial report of the company	4,113	6,100
- Accounting	7,400	8,820
	11,513	**14,920**
MacLeod Corporation for:		
- Audit or review of the financial report of the company	**2,000**	**-**

Note 6. Cash and cash equivalents

	2013 $	2012 $
Cash at bank and on hand	**102,358**	**77,189**

Notes to the financial statements (continued)

	2013 $	2012 $

Note 7. Receivables

GST receivable	9,873	14,054
Trade debtors	85,676	87,382
Loan H Bateman	-	250
	95,549	**101,686**

Note 8. Loan Receivables

Current		
Loans to other parties	**150,000**	**30,000**
Non-Current		
Loans to other parties	**95,000**	**245,000**

Note 9. Property, plant and equipment

Land		
Freehold land at cost	**79,419**	**79,419**
Buildings		
At cost	191,500	190,600
Less accumulated depreciation	(46,593)	(42,043)
	144,907	**148,557**
Plant and equipment		
At cost	151,031	143,757
Less accumulated depreciation	(93,519)	(79,425)
	57,512	**64,332**
Total written down amount	**281,838**	**292,308**
Movements in carrying amounts		
Buildings		
Carrying amount at beginning of year	148,557	149,809
Additions	900	3,264
Disposals	-	-
Depreciation expense	(4,550)	(4,516)
Carrying amount at end of year	**144,907**	**148,557**

	2013 $	2012 $

Note 9. Property, plant and equipment (continued)

Movements in carrying amounts

	2013 $	2012 $
Plant and equipment		
Carrying amount at beginning of year	64,332	40,078
Additions	7,274	46,108
Disposals	-	(12,639)
Depreciation expense	(14,094)	(9,215)
Carrying amount at end of year	**57,512**	**64,332**

Note 10. Intangible assets

	2013 $	2012 $
Franchise fee		
At cost	150,000	150,000
Less accumulated amortisation	(110,000)	(105,000)
	40,000	**45,000**
Preliminary expenses		
At cost	2,057	2,057
Less accumulated amortisation	(1,464)	(1,259)
	593	**798**
	40,593	**45,798**

Note 11. Payables

	2013 $	2012 $
Trade creditors	15,963	16,736
Other creditors and accruals	46,648	52,958
	62,611	**69,694**

Note 12. Loans and borrowings

	2013 $	2012 $
Current		
Bank loans - secured	**54,839**	**52,583**
Non current		
Bank loans - secured	**111,850**	**161,244**

Bank loans are repayable monthly with the final instalment due on May 2016. Interest is recognised at an average rate of 8.05% (2012: 8.89%). The loans are secured by mortgage the freehold land and buildings and motor vehicle of the company.

Notes to the financial statements (continued)

	2013 $	2012 $

Note 13. Provisions

	2013 $	2012 $
Current		
Employee benefits	**36,969**	**36,374**
Non current		
Employee Benefits	**14,018**	**13,550**

Note 14. Share capital

	2013 $	2012 $
484,525 Ordinary shares fully paid of $1 each	**484,525**	**484,525**

Note 15. Retained earnings/(accumulated losses)

	2013 $	2012 $
Balance at the beginning of the financial year	(26,276)	(46,506)
Profit/(loss) after income tax	59,498	58,992
Dividends	(38,762)	(38,762)
Balance at the end of the financial year	**(5,540)**	**(26,276)**

Note 16. Statement of cash flows

	2013 $	2012 $
(a) Cash and cash equivalents		
Cash assets	102,358	77,189
Bank overdraft	-	-
	102,358	**77,189**
(b) Reconciliation of profit / (loss) after tax to net cash provided from/(used in) operating activities		
Profit / (loss) after income tax	59,498	58,992
Non cash items		
- Depreciation	18,644	13,727
- Amortisation	5,205	7,790
- Loss (profit) on sale of plant	-	(1,903)
- Interest & fees on loans	1,757	20,357
Changes in assets and liabilities		
- (Increase) decrease in receivables	5,886	38,697
- Increase (decrease) in payables	(7,082)	10,328
- Increase (decrease) in provisions	7,031	(13,941)
- (Increase) decrease in prepayments	16	3,425
Net cashflows from/(used in) operating activities	**90,955**	**137,472**

Note 17. Director and related party disclosures

The names of Directors who have held office during the financial year are:

John Reginald Howard
Marie O'Dea
Elizabeth Van Zeyl
Geoffrey Thomas Jones
Lesley Forbes Righton
Melanie Greeney
Gert Messmer
Grant Cooper
Dominic Le Cerf
Brian Appleby
James Rhind

No Director or related entity has entered into a material contract with the company. No Director's fees have been paid as the positions are held on a voluntary basis.

Directors' shareholdings	**2013**	**2012**
John Reginald Howard	4,000	4,000
Marie O'Dea	1,500	1,500
Elizabeth Van Zeyl	1,500	1,500
Geoffrey Thomas Jones	500	500
Lesley Forbes Righton	100	100
Melanie Greeney	-	-
Gert Messmer	7,500	7,500
Grant Cooper	1,600	1,600
Dominic Le Cerf	-	-
Brian Appleby	-	-
James Rhind	400	-

There was no movement in Directors' shareholdings during the year. Each share held has a paid up value of $1 and is fully paid.

Note 18. Subsequent events

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

Note 19. Contingent liabilities

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

Notes to the financial statements (continued)

Note 20. Segment reporting

The economic entity operates in the financial services sector were it provides banking services to its clients. The economic entity operates in one geographic area being Mount Barker, WA.

Note 21. Corporate information

Plantagenet Community Financial Services Ltd is a company limited by shares incorporated in Australia.

The registered office is: 4 Short Street, Mount Barker.

The principal place of business is: 4 Short Street, Mount Barker.

	2013 $	2012 $

Note 22. Dividends paid or provided for on ordinary shares

	2013 $	2012 $
(a) Dividends proposed and recognised as a liability		
Franked dividends	-	-
(b) Dividends paid during the year		
(i) Current year interim		
Unfranked dividends	-	-
(ii) Previous year final		
Franked dividends - 8 cents per share	38,762	38,762
(c) Dividends proposed and not recognised as a liability		
Franked dividends (2012: 8 cents per share)	-	38,762
(d) Franking credit balance		
The amount of franking credits available for the subsequent financial year are:		
- Franking account balance as at the end of the financial year	62,070	56,696
- Franking credits that will arise from the payment of income tax payable as at the end of the financial year	5,664	(8,589)
- Franking debits that will arise from the payment of dividends as at the end of the financial year	-	(16,612)
- Franking credits that will arise from the payment of dividends recognised as receivables at the reporting date	-	-
- Franking credits that the entity may be prevented from distributing in the subsequent year	-	-
	67,734	**31,495**

The tax rate at which dividends have been franked is 30% (2012: 30%).
Dividends proposed will be franked at a rate of 30% (2012: 30%).

	2013 $	2012 $

Note 23. Earnings per share

Basic earnings per share amounts are calculated by dividing profit / (loss) after income tax by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing profit / (loss) after income tax by the weighted average number of ordinary shares outstanding during the year (adjusted for the effects of any dilutive options or preference shares).

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	2013 $	2012 $
Profit/(loss) after income tax expense	**59,498**	**58,992**
Weighted average number of ordinary shares for basic and diluted earnings per share	**484,525**	**484,525**

Note 24. Financial risk management

The company has exposure to credit risk, liquidity risk and market risk from their use of financial instruments.

This note presents information about the company's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

(a) Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. For the company it arises from receivables and cash assets.

The maximum exposure to credit risk at reporting date to recognised financial assets is the carrying amount of those assets as disclosed in the Statement of Financial Position and notes to the financial statements. The company's maximum exposure to credit risk at reporting date was:

	Carrying amount	
	2013 $	**2012 $**
Cash assets	102,358	77,189
Receivables	95,549	101,686
	197,907	**178,875**

The company's exposure to credit risk is limited to Australia by geographic area. The entire balance of receivables is due from Bendigo and Adelaide Bank Limited.

Note 24. Financial risk management (continued)

(a) Credit risk (continued)

None of the assets of the company are past due (2012: nil past due) and based on historic default rates, the company believes that no impairment allowance is necessary in respect of assets not past due.

The company limits its exposure to credit risk by only investing in liquid securities with Bendigo and Adelaide Bank Limited.

(b) Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company ensures it will have enough liquidity to meet its liabilities when due under both normal and stressed conditions. Liquidity management is carried out within the guidelines set by the Board.

Typically, the company maintains sufficient cash on hand to meet expected operational expenses, including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The following are the estimated contractual maturities of financial liabilities, including estimated interest payments.

	Carrying amount $	Contractual cash flows $	1 year or less $	over 1 to 5 years $	more than 5 years $
30 June 2013					
Payables	62,611	62,611	62,611	-	-
Loans and borrowings	166,689	220,752	62,277	158,475	-
	229,300	**283,363**	**124,888**	**158,475**	**-**
30 June 2012					
Payables	69,694	69,694	69,694	-	-
Loans and borrowings	213,827	270,165	80,332	189,832	-
	283,521	**339,859**	**150,026**	**189,832**	**-**

(c) Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

Interest rate risk

Interest rate risk is that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company reviews the exposure to interest rate risk as part of the regular Board meetings.

Note 24. Financial risk management (continued)

(c) Market risk (continued)

Sensitivity analysis

At the reporting date the interest rate profile of the company's interest bearing financial instruments was:

	Carrying amount	
	2013 $	**2012 $**
Fixed rate instruments		
Financial assets	245,000	275,000
Financial liabilities	26,209	32,489
	271,209	**307,489**
Variable rate instruments		
Financial assets	-	-
Financial liabilities	140,479	181,338
	140,479	**181,338**

Fair value sensitivity analysis for fixed rate instruments

The company does not account for any fixed interest rate financial assets or liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have minor impact on profit or retained earnings. For the analysis performed on the same basis as at 30 June 2012 there was also minor impact. As at both dates this assumes all other variables remain constant.

(d) Net fair values

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

(e) 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 Statement of Financial Position.

Note 24. Financial risk management (continued)

(e) Capital management (continued)

In accordance with the franchise agreement, in any 12 month period, the funds distributed to shareholders shall not exceed the Distribution Limit.

(i) 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; and

(ii) 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%.

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 2012 can be seen in the Statement of Comprehensive Income.

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

Directors’ declaration

In accordance with a resolution of the Directors of Plantagenet Community Financial Services Limited, I 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 2013 and of their performance for the year ended on that date; and

  (ii) complying with Accounting Standards in Australia and Corporations Regulations 2001;

(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; and

(c) this declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ending 30 June 2013.

John Reginald Howard	**Lesley Forbes Righton**
Chairman	**Secretary/Treasurer**

Signed at Mount Barker on 26 September 2013.

Independent audit report

MACLEOD
CORPORATION PTY LTD.
A.B.N. 25 082 636 968
186-190 Princess Royal Drive
Albany WA 6330
PO Box 5151 Albany WA 6332
t. 08 9841 2277
f. 08 9841 3260
m. 0412 375667
e. paul@macleodcpa.com.au
www.macleodcpa.com.au

INDEPENDENT AUDITOR'S REPORT
To: The Members of Plantagenet Community Financial Services Ltd

Report on the Financial Report
We have audited the accompanying financial report of Plantagenet Community Financial Services Ltd, which comprises the statement of financial position as at 30 June 2013, the statement of comprehensive income, statement of changes in Equity, statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies, and the directors' declaration.

Directors' Responsibility for the Financial Report
The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 the auditor's 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, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view 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 company'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.

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

Independence
In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Plantagenet Community Financial Services Ltd, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion
In our opinion the financial report of Plantagenet Community Financial Services Ltd is 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 2013 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and

CERTIFIED PRACTISING ACCOUNTANTS

Other Reporting Obligations

(a) We have been given all information, explanation and assistance necessary for the conduct of the audit; and

(b) In our opinion Plantagenet Community Financial Services Ltd has kept financial records sufficient to enable a financial report to be prepared and audited; and

(c) In our opinion Plantagenet Community Financial Services Ltd has kept other records and registers as required by the Corporations Act, 2001.

Paul Gilbert
Macleod Corporation Pty Ltd
Dated this 24th day of September 2013

CERTIFIED PRACTICING ACCOUNTANTS

Franchisee: Plantagenet Community Financial Services Ltd
4 Short Street, Mount Barker WA 6324
Phone: (08) 9851 2322 Fax: (08) 9851 2644
ABN: 89 096 387 816
Email: pcfs@westnet.com.au

Mount Barker **Community Bank**® Branch
4 Short Street, Mount Barker WA 6324
Phone: (08) 9851 2633 Fax: (08) 9851 2644

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