



Annual Report 2014

Plantagenet Community
Financial Services Ltd

ABN 89 096 387 816

Mount Barker **Community Bank**[®] Branch

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Chairman's report

For year ending 30 June 2014

I would like to present the 13th Annual Report of Plantagenet Community Financial Services Ltd.

This has been a very mixed year; our income was well down on budget due to reduced margins from Bendigo and Adelaide Bank and the continued tight financial situation in the district, we have not grown as much as we had hoped for. Also a lot of people are paying down debt which is very good for them but not so good for the branch. Our costs were also down on budget and with a small growth in our business the end result was better than we anticipated at the beginning of the year. Thus we were able to maintain our returns to the community.

We will not be announcing our dividend at this time as we normally do, due to the difficult trading conditions and strong advice from our Accountants. We will be delaying our decision until the May Board meeting and will pay the dividends in June. This will delay payment by only four months but is much more prudent in a business point of view.

I would like to thank our staff for all the hard work they have put in over the last year. Particularly I would like to thank our inaugural Manager Leigh Wallace. He has been with us now for 13 years; a real testament to his dedication to the **Community Bank**[®] model. Our branch is what it is today largely due to him, and we wish him well in his retirement. Our Directors have all worked very hard throughout the year to ensure our success. Gert Messmer resigned during the year for personnel reasons and we thank him for his contribution to the Board.

We have again sponsored a wide range of community groups, some 39 in total, ranging from \$100 to \$30,000. From schools, junior and senior sports, for the young and the senior in our community in fact most aspects that affect our community life. Our major sponsorship this year is to assist the purchase of goal posts for hockey, soccer and football for our new sporting complex being built at Souness Park. We have continued to work with our neighbouring **Community Bank**[®] branches of Tambellup / Cranbrook and Albany with such sponsorships as the Art Trial and the Junior and Senior school netball championships which were again very well attended.

All these sponsorships would not be possible without our shareholders and the people who bank with us; the more business we can gain, the more sponsorships we can give out to the community.

I would like to welcome Neil Bryant, our new Manager, and his wife Julie to our community. Please give him your support. I am sure he will take our **Community Bank**[®] branch to greater success.



John Howard
Chairman

Manager's report

For year ending 30 June 2014

It is with pleasure that I report another year of business growth for our **Community Bank**[®] branch, however it was below budget expectations but was in-line with the challenging economic environment we have faced during this financial year. The combined deposit and lending portfolio has grown to \$119 million as at 30 June 2014.

A pleasing outcome of our continued success as a local business with sustained profitability is the reward to our shareholders and community by way of dividend payments, grants and sponsorships which this year totalled some \$67,000.

The continued success of our **Community Bank**[®] branch is mainly due to our stable and dedicated staff who continue to provide a high level of customer service, along with a strong team ethic. Our staff of Vicki Baker, Lisa Clode, Sharon Ansell, Brooke Heal, Kate Thompson and Carla Fulcher are to be congratulated on their contribution to the success of our **Community Bank**[®] branch.

Our Walpole agency continues to provide an excellent banking service to that area, with local community groups and organisations being supported as a result of the business generated.

The tireless and selfless endeavours of our Board who are capably led by John Howard are to be congratulated and in particular, for their most important corporate governance role and community engagement activities to ensure that our business is relevant in our community. As in previous years, I recognise our loyal shareholders and customers for their support and for promoting their **Community Bank**[®] branch with pride.

Finally, I would like acknowledge our retiring Branch Manager, Leigh Wallace for his outstanding contribution not only to the growth of our **Community Bank**[®] branch over a period of 13 years but also his commitment to the town of Mt Barker. Leigh's strong leadership skills and banking knowledge are going to be sadly missed. I wish both Leigh and Senga a long and happy retirement.



Neil Bryant
Branch Manager

Bendigo and Adelaide Bank report

For year ending 30 June 2014

The past year marked two very significant milestones for our **Community Bank**[®] network, celebrating the opening of its 300th branch while also reaching \$120 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 doors.

Sixteen years later, the model has grown into something even bigger than that. It has rapidly developed into a partnership that generates a valued, alternative source of income for a community, funding activities or initiatives that make a local town or suburb a better place to live.

In June 2014, the network welcomed its 305th branch in Penola, South Australia, and in the same week, the Victorian coastal town of Port Fairy introduced its community to our unique style of banking. These branches join a robust and maturing banking network where valued partnerships enhance banking services, taking the profits their banking business generates and reinvesting that funding into initiatives that will ultimately strengthen their community.

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 projects that make a difference to a community; improved health services, sports programs, aged care facilities, education initiatives and community events that connect communities and encourage prosperity.

Demand from communities remains strong, with about 30 **Community Bank**[®] branch sites currently in development, and 10 branches expected to open nationally in 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 realise shared aspirations by harnessing the power of community.

At the end of the financial year 2013/14 the **Community Bank**[®] network had achieved the following:

- Returns to community – \$122.2 million
- **Community Bank**[®] branches – 305
- **Community Bank**[®] branch staff – more than 1,500
- **Community Bank**[®] company Directors – 1,900
- Banking business – \$24.46 billion
- Customers – 550,000
- Shareholders – 72,000
- Dividends paid to shareholders since inception – \$36.7 million.

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 Connected Communities Enterprises that provide **Community Bank**[®] companies with further development options.

Bendigo and Adelaide Bank report (continued)

In September last year the Bank announced it would commence a comprehensive review of the **Community Bank**[®] model. The intention of the review is to rigorously explore and analyse the model, setting the vision and strategy for a sustainable and successful commercial model, regardless of changes to operational and market conditions. An update of this review will be provided at the **Community Bank**[®] National Conference in Darwin in September.

Bendigo and Adelaide Bank's vision is to be Australia's most 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 respectfully listen and respond to every customer's choice, needs and objectives. We partner for sustainable long-term outcomes and aim to be relevant, connected and valued.

To this aim, the Bank supports the Financial Systems Inquiry (FSI) which calls for an even playing field for all banks in an effort to increase customer choice. It takes a principled approach to governing, encouraging banks to consider all members of a community when they do business.

Bendigo and Adelaide Bank is a signatory to the Regional Banking submission in collaboration with Bank of Queensland, Suncorp and ME Bank, while our independent submission focuses on the important role banks play in communities.

Banks inject a high-level of capability and knowledge in the places they operate, supporting the sustainability of communities and helping to ensure they're viable. The Bank calls for a framework that incentivises banks, and the people who work for them, to be good corporate citizens, while promoting ethical decision making, innovation and better outcomes for customers and communities.

This financial year we launched our new www.bendigobank.com.au website. Packed with useful information and easy to access online services, our 1.4 million customers can easily connect with us at home, at work or on their mobile or tablet as well as learn more about our commitment to strengthening and supporting local communities.

In line with increasing demand for "anywhere, anytime" banking, we're excited about the impending introduction of our improved online banking platform to our customers later this year.

As **Community Bank**[®] shareholders you are part of something special, a unique banking movement founded on a whole new way of thinking about banking and the role it plays in modern society.

The **Community Bank**[®] model is the ultimate example of a win/win partnership and 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 2014

Your Directors present their report of the company for the financial year ended 30 June 2014. The information in the preceding operating and financial review forms part of this Directors' report for the financial year ended 30 June 2014 and is to be read in conjunction with the following information:

Directors

The following persons were Directors of Plantagenet Community Financial Services Limited during or since the end of the financial year up to the date of this report:

Name and position held	Name and position held
John Reginald Howard Chairperson Farmer	Marie O'Dea Vice Chairperson (reappointed 03/12/13) Project Officer
Elizabeth Van Zeyl Director Farmer	James Rhind Secretary/Treasurer (appointed 03/12/13) Teacher
Lesley Forbes Righton Secretary/Treasurer (resigned 25/11/13) Accountant Resigned 25/11/13	Melanie Greeney Director Veterinary Assistant
Gert Messmer Director Electrical Engineer Resigned 06/05/14	Grant Cooper Director Farmer
Dominic Le Cerf Director Manager Resigned 09/07/13	Brian Appleby Director Retired Principal
Rachel Handasyde Director Administration Officer Appointed 25/11/13	Sarah Wright Director Lawyer Appointed 25/11/13

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

Directors' report (continued)

Review of operations

The profit/(loss) of the company for the financial year after provision for income tax was \$46,155 (2013 profit/(loss): \$59,498).

The net assets of the company have increased to \$505,759 (2013: \$478,985).

Dividends

	Year ended 30 June 2014	
	Cents per share	\$
Dividends paid in the year (interim /or final) dividend:	4	19,381

Significant changes in the state of affairs

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

Events subsequent to reporting date

No matters or circumstances have arisen since the end of the financial year that significantly affect or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company, in future financial years.

Remuneration report

Remuneration policy

There has been no remuneration policy developed as Director positions are held on a voluntary basis and Directors are not remunerated for their services.

Remuneration benefits and payments

Other than detailed below, 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.

Plantagenet Community Financial Services Limited has accepted the Bendigo and Adelaide Bank Limited's **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 the branch. There is no requirement to own Bendigo and Adelaide Bank Limited shares and there is no qualification period to qualify to utilise the benefits. The package mirrors the benefits currently available to Bendigo and Adelaide Bank Limited shareholders. The Directors have estimated the total benefits received from the Directors Privilege Package to be nil for the year ended 30 June 2014. The estimated benefit per Director is as follows:

Directors' report (continued)

Remuneration report (continued)

Remuneration benefits and payments (continued)

	2014
John Reginald Howard	-
Elizabeth Van Zeyl	-
Lesley Forbes Righton	-
Gert Messmer	-
Dominic Le Cerf	-
Rachel Handasyde	-
Marie O'Dea	-
Melanie Greeney	-
Grant Cooper	-
Brian Appleby	-
Sarah Wright	-
	-

Indemnifying Officers or Auditor

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 incurred by the Officer, which includes the Officer's 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.

Directors' meetings

The number of Directors' meetings held during the year were 11. Attendances by each Director during the year were as follows:

Director	Board meetings #
John Reginald Howard	11 (11)
Elizabeth Van Zeyl	10 (11)
Lesley Forbes Righton	5 (5)
Gert Messmer	8 (9)
Dominic Le Cerf	0 (1)
Rachel Handasyde	9 (11)

Directors' report (continued)

Directors' meetings (continued)

Director	Board meetings #
Marie O'Dea	11 (11)
Melanie Greeney	10 (11)
Grant Cooper	6 (11)
Brian Appleby	5 (11)
James Rhind	11 (11)
Sarah Wright	4 (8)

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

Likely developments

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

Environmental regulations

The company is not subject to any significant environmental regulation. However, the Board believes that the company has adequate systems in place for the management of its environment requirements and is not aware of any breach of these environmental requirements as they apply to 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 proceedings during the year.

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

A copy of the Auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set at page 10 of this financial report. No Officer of the company is or has been a partner of the Auditor of the company.

Signed in accordance with a resolution of the Board of Directors at 4 Short Street Mount Barker on 25 September 2014.



John Reginald Howard
Chairman



James Rhind
Secretary/Treasurer

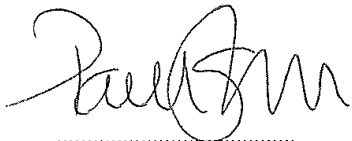
Auditor's independence declaration

AUDITOR'S INDEPENDENCE DECLARATION AS REQUIRED BY SECTION 307C OF THE CORPORATIONS ACT 2001

As lead Auditor for the audit of Plantagenet Community Financial Services Ltd for the year ended 30 June 2014, I declare to the best of my knowledge and belief, that there have been:

- a) no contraventions of the Auditor independence requirements of the Corporations Act 2001, in the relation to the audit, and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

This Declaration is made in respect of Plantagenet Community Financial Services Ltd during the period of the audit.




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Paul Gilbert, CPA MBA Director
Macleod Corporation Pty Ltd
Dated this 4th day of September 2014



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CERTIFIED PRACTISING ACCOUNTANTS



Financial statements

Statement of profit or loss and other Comprehensive Income for the year ended 30 June 2014

	Notes	2014 \$	2013 \$
Revenue	2	909,748	947,724
Employee benefits expense	3	(494,222)	(477,166)
Depreciation and amortisation expense	3	(15,960)	(16,436)
Finance costs	3	(7,372)	(13,648)
Other expenses from ordinary activities		(284,153)	(292,448)
Operating profit/(loss) before charitable donations & sponsorships		108,041	148,026
Charitable donations and sponsorships		(40,414)	(60,776)
Profit/(loss) before income tax expense		67,627	87,250
Tax expense / (benefit)	4	21,472	27,752
Profit/(loss) for the year		46,155	59,498
Other comprehensive income		-	-
Total comprehensive income		46,155	59,498
Profit/(loss) attributable to:		-	-
Members of the company		-	-
Total		46,155	59,498
Earnings per share for profit/(loss) attributable to the ordinary shareholders of the company:			
		¢	¢
- basic for profit / (loss) for the year	23	9.53	12.28
- diluted for profit / (loss) for the year	23	9.53	12.28

The accompanying notes form part of these financial statements.

Financial statements (continued)

Statement of Financial Position as at 30 June 2014

	Notes	2014 \$	2013 \$
Assets			
Current assets			
Cash and cash equivalents	6	239,809	102,358
Receivables	7	94,121	95,549
Loan receivables	8	-	150,000
Prepayments		84	154
Total current assets		334,014	348,061
Non-current assets			
Property, plant and equipment	9	295,068	281,838
Loan receivables	8	-	95,000
Deferred tax assets	4	2,789	-
Intangible assets	10	35,388	40,593
Other		118	118
Total non-current assets		333,363	417,549
Total assets		667,377	765,610
Liabilities			
Current liabilities			
Payable	11	72,556	62,611
Loans and borrowings	12	19,627	54,839
Current tax payable	4	3,862	5,664
Provisions	13	41,581	36,969
Total current liabilities		137,626	160,083
Non current liabilities			
Loans and borrowings	12	-	111,850
Deferred tax liability	4	-	674
Provisions	13	23,992	14,018
Total non current liabilities		23,992	126,542
Total liabilities		161,618	286,625
Net assets / (liabilities)		505,759	478,985
Equity			
Share capital	14	484,525	484,525
Retained earnings / (accumulated losses)	15	21,234	(5,540)
Total equity		505,759	478,985

The accompanying notes form part of these financial statements.

Financial statements (continued)

Statement of Changes in Equity for the year ended 30 June 2014

	Notes	2014 \$	2013 \$
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		(5,540)	(26,276)
Profit / (loss) after income tax expense		46,155	59,498
Dividends paid	22	(19,381)	(38,762)
Balance at 30 June 2014		21,234	(5,540)

The accompanying notes form part of these financial statements.

Financial statements (continued)

Statement of Cash Flows for the year ended 30 June 2014

	Notes	2014 \$	2013 \$
Cash flows from operating activities			
Cash receipts on the course of operations		910,642	947,121
Cash payments in the course of operations		(780,416)	(822,021)
Interest paid		(7,165)	(13,648)
Interest received		1,622	1,490
Income tax paid		(26,737)	(21,987)
Net cash provided by/(used in) operating activities	16b	97,946	90,955
Cash flows from investing activities			
Proceeds from sale of property, plant & equipment		-	-
Proceeds from sale of investments		-	-
Purchase of property, plant & equipment		(29,916)	(8,174)
Net cash flows from/(used in) investing activities		(29,916)	(8,174)
Cash flows from financing activities			
Proceeds from borrowings		-	30,000
Repayment of loan		245,300	-
Payment for loan		(1,000)	250
Repayment of borrowings		(155,498)	(48,895)
Dividends paid		(19,381)	(38,967)
Net cash provided by/(used in) financing activities		69,421	(57,612)
Net increase/(decrease) in cash held		137,451	25,169
Cash and cash equivalents at beginning of financial year		102,358	77,189
Cash and cash equivalents at end of financial year	16a	239,809	102,358

The accompanying notes form part of these financial statements.

Notes to the financial statements

For year ended 30 June 2014

These financial statements and notes represent those of Plantagenet Community Financial Services Limited.

Plantagenet Community Financial Services Limited ('the company') is a company limited by shares, incorporated and domiciled in Australia.

The financial statements were authorised for issue by the Directors on 25 September 2014.

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 2014 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 2013 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 the financial reporting purposes.

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

Deferred 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.

Notes to the financial statements (continued)

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

Income tax (continued)

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.

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 or 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 it written down to its recoverable amount.

Goods and services tax (GST)

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 Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Notes to the financial statements (continued)

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

Goods and services tax (GST) (continued)

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.

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 where 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.

Notes to the financial statements (continued)

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

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.

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.

	2014 \$	2013 \$
Note 2. Revenue from ordinary activities		
Operating activities		
- services commissions	893,196	938,937
- other revenue	14,930	7,297
Total revenue from operating activities	908,126	946,234
Non-operating activities:		
- interest received	1,622	1,490
- other revenue	-	-
Total revenue from non-operating activities	1,622	1,490
Total revenue from ordinary activities	909,748	947,724

Note 3. Expenses

Employee benefits expense

- wages and salaries	426,086	410,525
- superannuation costs	66,252	64,810
- workers compensation costs	1,617	1,680
- other costs	267	151
	494,222	477,166

Depreciation of non-current assets:

- plant and equipment	6,159	6,681
- buildings	4,596	4,550

Notes to the financial statements (continued)

	2014 \$	2013 \$
Note 3. Expenses (continued)		
Amortisation of non-current assets:		
- intangible assets	5,000	5,000
- establishment costs	205	205
	15,960	16,436
Finance costs:		
- Interest paid	7,372	13,648
Bad debts	261	281
Note 4. Income tax expense		
The prima facie tax on profit/(loss) before income tax is reconciled to the income tax expense as follows:		
Prima facie tax on profit/(loss) before income tax at 30% (2013: 30%)	20,288	26,175
Add tax effect of:		
- Non-deductible expenses	1,184	1,577
- Prior year tax losses not previously brought to account	-	-
- Future income tax benefit not brought to account	-	-
Current income tax expense	21,472	27,752
Origination and reversal of temporary differences	-	-
Deferred income tax expense	-	-
Income tax expense	21,472	27,752
The applicable weighted average effective tax rate is	31.75%	31.81%
Deferred tax asset		
Future income tax benefits arising from tax losses are recognised at reporting date as realisation of the benefit is regarded as probable.	2,789	-
The applicable income tax rate is the Australian Federal tax rate of 30% (2013: 30%) applicable to Australian resident companies.		
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

Notes to the financial statements (continued)

	2014 \$	2013 \$
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Note 5. Auditors' remuneration

Amounts received or due and receivable by Lincolns for:

- Audit or review of the financial report	-	4,113
- Accounting	6,800	7,400
	6,800	11,513

MacLeod Corporation for:

- Audit or review of the financial report of the company	6,000	2,000
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Note 6. Cash and cash equivalents

Cash at bank and on hand	239,809	102,358
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Note 7. Receivables

Current

GST receivable	11,360	9873
Trade debtors	81,062	85,676
Deposits held in trust	1,000	-
Loan H Bateman	700	-
	94,122	95,549

Note 8. Loan Receivables

Current

Loans to other parties	-	150,000
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Non-current

Loans to other parties	-	95,000
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Note 9. Property, plant and equipment

Land

Freehold land at cost	79,419	79,419
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Buildings

At cost	204,135	191,500
Less accumulated depreciation	(51,189)	(46,593)
	152,946	144,907

Notes to the financial statements (continued)

	2014 \$	2013 \$
Note 9. Property, plant and equipment (continued)		
Plant and equipment		
At cost	167,719	151,031
Less accumulated depreciation	(105,016)	(93,519)
	62,703	57,512
Total written down amount	295,068	281,838
Movements in carrying amounts		
Buildings		
Carrying amount at beginning of year	144,907	148,557
Additions	12,635	900
Disposals	-	-
Depreciation expense	(4,596)	(4,550)
Carrying amount at end of year	152,946	144,907
Plant and equipment		
Carrying amount at beginning of year	57,512	64,332
Additions	17,281	7,274
Disposals	-	-
Depreciation expense	(12,090)	(14,094)
Carrying amount at end of year	62,703	57,512

Note 10. Intangible assets

Franchise fee		
At cost	150,000	150,000
Less accumulated amortisation	(115,000)	(110,000)
	35,000	40,000
Preliminary expenses		
At cost	2,057	2,057
Less accumulated amortisation	(1,669)	(1,464)
	388	593
Total Intangible assets	35,388	40,593

Notes to the financial statements (continued)

	2014 \$	2013 \$
Note 11. Payables		
Trade creditors	20,763	15,963
Other creditors and accruals	51,793	46,648
	72,556	62,611

Note 12. Loans and borrowings

Current

Bank loans - secured	19,627	54,839
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Non current

Bank loans - secured	-	111,850
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Bank loans are repayable monthly with the final instalment due on November 2014.
The loan is secured by mortgage the motor vehicle of the company.

Note 13. Provisions

Current

Employee benefits	41,581	36,969
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Non current

Employee Benefits	23,992	14,018
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Note 14. Share capital

484,525 Ordinary shares fully paid of \$1 each	484,525	484,525
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Note 15. Retained earnings / (accumulated losses)

Balance at the beginning of the financial year	(5,540)	(26,276)
Profit/(loss) after income tax	46,155	59,498
Dividends	(19,381)	(38,762)
Balance at the end of the financial year	21,234	(5,540)

Notes to the financial statements (continued)

	2014 \$	2013 \$
Note 16. Statement of cash flows		
(a) Cash and cash equivalents		
Cash assets	239,809	102,358
Bank overdraft	-	-
As per the statement of cash flow	239,809	102,358
(b) Reconciliation of profit / (loss) after tax to net cash provided from/(used in) operating activities		
Profit / (loss) after income tax	46,155	59,498
Non cash items		
- Depreciation	16,686	18,644
- Amortisation	5,205	5,205
- Interest & Fees on Loans	8,436	1,757
Changes in assets and liabilities		
- (Increase) decrease in receivables	2,128	5,886
- Increase (decrease) in payables	9,944	(7,082)
- Increase (decrease) in provisions	9,321	7,031
- (Increase) decrease in prepayments	70	16
Net cash flows from/(used in) operating activities	97,946	90,955

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	James Rhind
Lesley Forbes Righton	Melanie Greeney
Gert Messmer	Grant Cooper
Dominic Le Cerf	Brian Appleby
Rachel Handasyde	Sarah Wright

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.

Plantagenet Community Financial Services Limited has accepted the Bendigo and Adelaide Bank Limited's **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 the branch. There is no requirement to own Bendigo and Adelaide Bank Limited shares and there is no qualification period to qualify to utilise the benefits.

Notes to the financial statements (continued)

Note 17. Director and related party disclosures (continued)

The package mirrors the benefits currently available to Bendigo and Adelaide Bank Limited shareholders. The Directors have estimated the total benefits received from the Directors Privilege Package to be \$0.00 for the year ended 30 June 2014. The estimated benefits per Director is as follows:

	2014
John Reginald Howard	-
Marie O'Dea	-
Elizabeth Van Zeyl	-
James Rhind	-
Lesley Forbes Righton	-
Melanie Greeney	-
Gert Messmer	-
Grant Cooper	-
Dominic Le Cerf	-
Brian Appleby	-
Rachel Handasyde	-
Sarah Wright	-
	-

The number of ordinary shares in Plantagenet Community Financial Services Limited held by each key management personnel of the company during the financial year is as follows:

	2014	2013
John Reginald Howard	4,000	4,000
Marie O'Dea	1,500	1,500
Elizabeth Van Zeyl	1,500	1,500
James Rhind	400	400
Lesley Forbes Righton	100	100
Melanie Greeney	-	-
Gert Messmer	-	7,500
Grant Cooper	1,600	1,600
Dominic Le Cerf	-	-
Brian Appleby	-	-
Rachel Handasyde	-	-
Sarah Wright	-	-

Notes to the financial statements (continued)

Note 17. Director and related party disclosures (continued)

Gert Messmer sold his shares during the financial year. Each share held has a paid up value of \$1 and is fully paid.

Note 18. Subsequent event and commitment

The company has purchased a property situated at 4 Henton Peak Heights, Mount Barker for the new bank Manager. The property was purchased for \$385,000 and settlement is due July 2014.

Note 19. Contingent liabilities

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

Note 20. Operating segments

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

Note 21. Company details

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

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

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

	2014 \$	2013 \$
Note 22. Dividends paid or provided for on ordinary shares		
(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 - 4 cents per share (2013: 8 cents per share)	19,381	38,762

Notes to the financial statements (continued)

	2014 \$	2013 \$
Note 22. Dividends paid or provided for on ordinary shares (continued)		
(c) Dividends proposed and not recognised as a liability		
Franked dividends	-	-
(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	80,501	62,070
- Franking credits that will arise from the payment of income tax payable as at the end of the financial year	3,862	5,664
- Franking debits that will arise from the payment of dividends as at the end of the financial year	-	-
- 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	-	-
	84,363	67,734

The tax rate at which dividends have been franked is 30% (2013: 30%).

Dividends proposed will be franked at a rate of 30% (2013: 30%).

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 of preference shares).

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

Profit/(loss) after income expense	46,155	59,498
Weighted average number of ordinary shares for basic and diluted earnings per share	484,525	484,525

Notes to the financial statements (continued)

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	
	2014 \$	2013 \$
Cash assets	239,809	102,358
Receivables	94,121	95,549
	333,930	197,907

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.

None of the assets of the company are past due (2013: 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.

Notes to the financial statements (continued)

Note 24. Financial risk management (continued)

(b) Liquidity risk (continued)

30 June 2014	Carrying amount \$	Contractual cash flows \$	1 year of less \$	over 1 to 5 years \$	more than 5 years \$
Payables	72,556	72,556	72,556	-	-
Loans and borrowings	19,627	19,981	19,981	-	-
	92,183	92,537	92,537	-	-

30 June 2013	Carrying amount \$	Contractual cash flows \$	1 year of less \$	over 1 to 5 years \$	more than 5 years \$
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	-

(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.

Sensitivity analysis

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

	Carrying amount	
	2014 \$	2013 \$
Fixed rate instruments		
Financial assets	-	245,000
Financial liabilities	19,627	26,209
	19,627	271,209
Variable rate instruments		
Financial assets	-	-
Financial liabilities	-	140,479
	-	140,479

Notes to the financial statements (continued)

Note 24. Financial risk management (continued)

(c) Market risk (continued)

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 for 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 2013 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 the 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 Director's 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.

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 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 the 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.

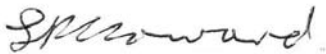
There were no changes in the company's approach to capital management during the year.

Directors' declaration

In accordance with a resolution of the Directors of Plantagenet Community Financial Services Limited, the Directors of the company declare that:

- 1 the financial statements and notes, as set out on pages 11 to 29 are in accordance with the Corporations Act 2001 and:
 - (i) comply with Australian Accounting Standards, which as stated in accounting policy Note 1(a) to the financial statements constitutes compliance with International Financial Reporting Standards (IFRS); and
 - (ii) give a true and fair view of the company's financial position as at 30 June 2014 and of the performance for the year ended on that date;
- 2 in the Directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



John Reginald Howard
Chairman



James Rhind
Secretary/Treasurer

Signed at Mount Barker on 25 September 2014.

Independent audit report

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



**MACLEOD
CORPORATION PTY LTD.**

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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 2014, 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 2014 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and

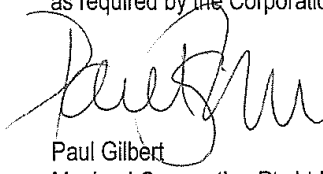
CERTIFIED PRACTISING ACCOUNTANTS



Independent audit report (continued)

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 19th day of September 2014

CERTIFIED PRACTICING ACCOUNTANTS





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4 Short Street, Mount Barker WA 6324
Phone: (08) 9851 2633

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