



Robe Community
Financial Services Limited

ABN 24 101 974 887

**ANNUAL
REPORT
2013**

Robe **Community Bank**[®] Branch

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Chairman's report

For year ending 30 June 2013

With foresight and hard work, our founding Directors Peter Darr, Ian Regnier and Marilyn Paxton, have established a great legacy over the last 10 years in Robe Community Financial Services Limited for the Robe community.

In that period, \$100,000 has been returned to the community in grants, sponsorships and scholarships. It is not to be underestimated the value and future opportunities that this organisation can create and support, with strong community backing.

In the last 12 months the \$100,000 total in community investments was achieved. During this period and as a result of the community forum held last year, we undertook, in conjunction with the Robe Lions Club, the installation of a defibrillator at the Robe Pharmacy for access by the general public which is monitored by CCTV. Another unit was placed at the Robe Golf Club. Both units were unveiled at a presentation and training / familiarisation day held at the Robe Golf Club which was well attended by the Robe community.

Continued support for the Robe Boat show in January 2014 via naming rights, sponsorship and comprehensive advertising has also been achieved.

Fitting in with our goals of building community partnerships, we employed a School Based Trainee. This position is eight hours per week for 12 months and qualifies the student with Financial Certificate Level 3 when completed.

Whilst the business has had modest growth in the last year, and as customers adjust their investments, our Branch Manager, Aaron Sayers and staff Paul, Helen, Angela and Jessica have maintained the business in these unique financial times and positioned us with some good prospects for the future.

In the branch we have undertaken a modest refurbishment with a new office. This was undertaken to facilitate the support given to the region by Bendigo and Adelaide Bank in the placement of a new Business Banker and Agribusiness Banker who visit the region on a regular basis.

I would like to thank Secretary Michael Slessar and Treasurer Michael Mattei for their support and for the high standard that they have fulfilled these positions to, as well as my fellow Board members.



Mark Baker
Chair

Manager's report

For year ending 30 June 2013

The 2012/13 financial year saw the branch continue to grow and move forward. We were able to reach the milestone of \$100,000 of sponsorships put back into the community - something made possible through you, our customers.

We were able to take part in a nationwide Bendigo and Adelaide Bank Scholarship program and we were proud to have offered a \$10,000 scholarship to one of our local students to study Medicine.

Other notable sponsorships included \$3,500 to Kangaroo Inn Area School, \$3,000 to the Robe Boat and Fishing Festival, \$2,000 to the Robe Cricket Club and many others reaching a total of approximately \$30,000 for the year.

During the year we also welcomed two new staff members; Paul Bobridge has taken over the role of Customer Service Supervisor – Paul has come from the Pirie Street branch in Adelaide and has a wealth of knowledge. He is originally from Robe and has returned home. Jessie Wehl has also joined the team for one day a week as a School Based Trainee while studying year 12 at Kingston Community School. The branch is proud to be able to support local students by offering a School Based Traineeship.

Our existing staff, Helen Slessar and Angela Tymmons have continued to grow and develop in their roles at the forefront of our branch and their interpersonal skills are exceptional providing great service to all of our clients.

Our footings for the year grew by a total of \$8.3 million with the assistance of the Keith **Community Bank**[®] Branch campaign boosting our footings throughout the year. The business for Keith will transfer across to Keith **Community Bank**[®] Branch when they open which we expect to happen sometime in the 2013/14 financial year.

It was pleasing to see the branch turn a profit again for the fourth consecutive year; I look forward to seeing what we can achieve over the coming 12 months with the continued support of our customers, shareholders and community.

Kind regards,



Aaron Sayers
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 present their report on the company for the financial year ended 30 June 2013.

The names of the Directors in office at anytime during or since the end of the year are:

Alan Schinckel	Resigned 18/12/2012
David Philip Macauley	Resigned 01/01/2013
Evelyn Ann Schinckel	Appointed 18/12/2012
Ian Regnier	
Kylie Michelle Peel	Resigned 18/12/2012
Mark Andrew Baker	
Merilyn Paxton	
Michael Mattei	
Michael William Slessar	
Peter Darr	

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

The net profit of the company for the financial year before providing for income tax amounted to \$104,221.

A review of the operations of the company during the financial year and the results of those operations are as follows:

During the year the company continued to increase its revenue with a 19% increase whilst expenditure increased with a 27% rise. The major change through the year with the expenses has been a 48% increase in employee benefits due to the **Community Bank**[®] branch taking on increased employee remuneration responsibility.

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

The principal activities of the company during the financial year were:

- to provide a banking and financial service to Robe and the surrounding districts

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

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

Likely developments in the operations of the company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the company.

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

Notwithstanding the deficiency of net assets, the financial report has been prepared on a going concern basis as the Directors have received a guarantee of financial support and the Directors believe that such financial support will continue to be made available.

Dividends paid or declared since the start of the financial year are as follows:

- The Directors paid a dividend of \$22,280.50 during the year ended 30 June 2013.

Directors' report (continued)

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

No indemnities have been given, during or since the end of the financial year, for any person who is or has been an Officer or Auditor of the company. The Directors are covered by a policy to a limit of \$100,000,000 covering comprehensive crime and professional indemnity which is paid by the 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 part of those proceedings.

The company was not a party to any such proceedings during the year.

Auditor's independence declaration

A copy of the Auditor's independence declaration as required under Section 307C of the Corporations Act 2001 is attached to this financial report.

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



Mark Andrew Baker
Director

17 September 2013

Auditor's independence declaration



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AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

TO THE DIRECTORS OF ROBE COMMUNITY FINANCIAL SERVICES LTD

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2013 there have been:

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

Mark Stephen Edwards
Chartered Accountant

172 Smith Street
Naracoorte, SA, 5271

Registered Auditor: Mark Edwards
Registered Auditor No. 289565
Naracoorte

30 September 2013

Financial statements

Income statement for the year ended 30 June 2013

	Note	2013 \$	2012 \$
Revenue	2	533,350	447,565
Employee benefits expense		(211,218)	(142,332)
Depreciation and amortisation expenses		(17,406)	(17,379)
Finance costs		(9,588)	(17,245)
Other expenses		(190,916)	(159,035)
Profit before income tax expense		104,221	111,575
Income tax benefit (expense)	3	(32,501)	(33,463)
Profit attributable to member of the company		71,721	78,112
Dividend per share (cents)		5	Nil

The accompanying notes form part of these financial statements.

Financial statements (continued)

Balance sheet as at 30 June 2013

	Note	2013 \$	2012 \$
Assets			
Current assets			
Cash and cash equivalents	7	29,773	294
Trade and other receivables	8	48,362	34,760
Other current assets	9	3,512	3,512
Total current assets		81,647	38,565
Non-current assets			
Property, plant and equipment	10	36,650	41,379
Intangibles	11	71,646	11,477
Deferred tax assets	12	129,408	161,909
Total non-current assets		237,704	214,765
Total assets		319,352	253,330
Liabilities			
Current liabilities			
Trade and other payables	13	9,932	11,394
Financial liabilities	14	51,229	43,477
Short-term provisions	15	8,825	12,939
Total current liabilities		69,987	67,810
Non-current liabilities			
Financial liabilities	14	164,405	150,000
Total non-current liabilities		164,405	150,000
Total liabilities		234,392	217,810
Net assets		84,960	35,520
Equity			
Issued capital	16	427,989	427,989
Retained profits (accumulated losses)		(343,029)	(392,469)
Total equity		84,960	35,520

The accompanying notes form part of these financial statements.

Financial statements (continued)

Statement of changes in equity as at 30 June 2013

	Note	Share Capital \$	Retained Earnings \$	Total \$
Balance at 1 July 2011		427,989	(470,581)	(42,592)
Profit attributable to equity shareholders			78,112	78,112
Balance at 30 June 2012		427,989	(392,469)	35,520
Profit attributable to equity shareholders			71,721	71,721
Sub-total		427,989	(320,748)	107,240
Dividend paid or provided for	6		(22,281)	(22,281)
Balance at 30 June 2013		427,989	(343,029)	84,960

The accompanying notes form part of these financial statements.

Financial statements (continued)

Cash flow statement for the year ended 30 June 2013

	Note	2013 \$	2012 \$
Cash flows from operating activities			
Receipts from customers		523,541	446,540
Payments to suppliers & employees		(467,996)	(333,511)
Interest received		4	7
Trade creditors		24,578	(6,727)
GST		(3,057)	970
PAYG Withholding		3,088	1,146
Debtors		485	(5,398)
Net cash provided by operating activities	20	80,643	103,027
Cash flows from investing activities			
Plant purchases/adjustments		(1,200)	804
Net cash provided by (used in) investing activities		(1,200)	804
Cash flows from financing activities			
Repayments of borrowings		(25,000)	(120,000)
Net cash provided by (used in) financing activities		(25,000)	(120,000)
Net increase (decrease) in cash held		54,443	(16,169)
Cash at beginning of financial year		(24,671)	(8,502)
Cash at end of financial year	20	29,772	(24,671)

The accompanying notes form part of these financial statements.

Notes to the financial statements

For year ended 30 June 2013

Note 1. Statement of significant accounting policies

This financial report covers Robe Community Financial Services Ltd as an individual entity. Robe Community Financial Services Ltd is a company limited by shares, incorporated and domiciled in Australia.

Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(a) Income tax

Income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balance during the year as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the assets is realised or the liability settled, based on tax rates enacted or substantively enacted at reporting date. There measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Notes to the financial statements (continued)

Note 1. Statement of significant accounting policies (continued)

(a) Income tax (continued)

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(b) Property, plant and equipment

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

Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount related to the revalued amount of the asset.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate assets, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

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

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, are depreciated on a straight line basis over their estimated useful lives to the entity commencing from the time the asset is held ready for use.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Notes to the financial statements (continued)

Note 1. Statement of significant accounting policies (continued)

(b) Property, plant and equipment (continued)

Depreciation (continued)

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

(c) Financial instruments

Recognition and initial measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs, where the instrument is not classified at fair value through profit or loss. Transactions costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Classification and subsequent measurement

(i) Financial assets at fair value through profit and loss

Financial assets are classified at fair value through profit or loss where they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

(iii) Held-to-maturity investments

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

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

(v) Financial liabilities

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

Notes to the financial statements (continued)

Note 1. Statement of significant accounting policies (continued)

(c) Financial instruments (continued)

Fair value

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

Impairment

At each reporting date, the company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

(d) Employee benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits liabilities have been recognised to the extent that it will be probable of future economic outflows resulting from past services which have been rendered by the employees.

(e) Provisions

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

(f) Cash and cash equivalents

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

(g) Revenue and other income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted as a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets is the rate inherent in the instrument.

Revenue recognition relating to the provision of a service is determined with reference to the stage of completion of the transaction at reporting date and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

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

(h) Goods and Services Tax (GST)

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

Notes to the financial statements (continued)

Note 1. Statement of significant accounting policies (continued)

(h) Goods and Services Tax (GST) (continued)

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

Going concern

Notwithstanding the company's deficiency of net assets, the financial report has been prepared on the going concern basis. This basis has been adopted as the company has received a guarantee of continuing financial support from the Directors to allow the company to meet its liabilities and it is the Directors' belief that such financial support will continue to be made available.

The bank overdraft and loan are secured by Bendigo and Adelaide Bank Limited who provide Working Capital by the way of an Overdraft facility to support the company's operations. Bendigo and Adelaide Bank Limited believe the need for any substantial financial support is unlikely, but nonetheless, provision of additional funding will be dependant upon the Robe Community Financial Services Limited fulfilling their ongoing responsibilities under the Franchise Agreement and continuing to work closely with Bendigo and Adelaide Bank Limited Management to further develop the business.

	Note	2013 \$	2012 \$
Note 2. Revenue			
Rendering of services		533,346	446,547
Insurance recoveries		-	677
Interest received	2(a)	4	7
Bad debt recoveries		-	334
Total revenue		533,350	447,565
(A) interest received from:			
Other corporations		4	7

Note 3. Income tax expense

(a) The components of tax expense comprise:

Current tax		-	-
Deferred tax	12	32,500	33,464
		32,501	33,463

(b) The prima facie tax payable on profit before income tax is reconciled to the income tax as follows:

Prima facie tax payable on profit before income tax at 30% (2012: 30%)		-	-
Add tax effect of:			
Profit as per Income Statement		104,221	111,575
Tax Applicable to Profit		32,500	33,464
		136,721	145,039

Notes to the financial statements (continued)

	2013 \$	2012 \$
Note 3. Income tax expense (continued)		
Less tax effect of:		
Tax effect of utilisation of carried forward losses	32,500	33,464
Income tax expense attributable to entity	104,221	111,575
The applicable weighted average effective tax rates are as follows:	30	30

Note 4. Key management personnel compensation

Directors on the Board of the company are all positions of a voluntary nature where no remuneration is paid. The company provides Director/Officer Indemnity for its Directors on their behalf.

Note 5. Auditors' remuneration

Auditing or reviewing the financial report	5,201	4,450
Taxation services	4,859	4,525

Note 6. Dividends

Distributions paid	22,281	
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Note 7. Cash and cash equivalents

Cash at bank - business account	29,455	-
Cash at bank - Staff Christmas club	318	294
	29,773	294

Note 8. Trade and other receivables

CURRENT

Trade debtors	37,202	33,267
GST on payables - current	-	1,493
	37,202	34,760
Debtor	11,160	-
	48,362	34,760

Notes to the financial statements (continued)

	2013 \$	2012 \$
Note 9. Other assets		
Current		
Prepayments	3,512	3,512

Note 10. Property, plant and equipment

Property improvements	45,385	45,385
Less accumulated depreciation	(18,923)	(16,411)
Total land and buildings	26,462	28,974
Furniture and fittings	52,812	51,612
Less accumulated depreciation	(42,624)	(39,207)
Total plant and equipment	10,188	12,405
Total property, plant and equipment	36,650	41,379

(a) Movement in carrying amounts

For disclosure on movement in carrying amounts please refer to note 21(a) in the end of this financial report.

Note 11. Intangible assets

Franchise fees	71,646	57,386
Accumulated amortisation and impairment losses	-	(47,909)
	71,646	11,477
Reconciliation of franchise fees		
Balance at beginning of year	11,477	22,954
Additions	71,646	-
Disposals	-	-
Amortisation charge	(11,477)	(11,477)
Impairment losses	-	-
Closing carrying value at 30 June 2013	71,646	11,477

Notes to the financial statements (continued)

	2013 \$	2012 \$
Note 12. Tax		
Deferred tax assets		
Provisions - employee benefits		
Opening balance	3,882	4,221
Credited (charged) to the income statement	(1,234)	(339)
Closing balance	2,648	3,882
Carried forward losses		
Opening balance	158,027	-
Credited (charged) to the income statement	(30,931)	(33,125)
Closing balance	127,096	(33,125)
Balance at year end	129,744	(29,243)

Note 13. Other payables

Current

Goods And Services Tax	2,600	7,150
Payroll liabilities	7,332	4,244
	9,932	11,394

Note 14. Financial liabilities

Current

Bank overdraft - business account	-	24,964
Managers Mastercard	175	-
Franchise renewal fees - current	39,405	12,625
Trade creditors	11,649	5,888
	51,229	43,477

Non-current

Bendigo and Adelaide Bank Limited interest only	125,000	150,000
Franchise renewal fees	39,405	-
	164,405	150,000

Note 15. Provisions

Provision for annual leave	8,825	12,939
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Notes to the financial statements (continued)

	Note	2013 \$	2012 \$
Note 16. Issued capital			
Ordinary shares @ \$1 each		445,610	445,610
Prospectus fees & costs		(17,621)	(17,621)
		427,989	427,989

Note 17. Leasing commitments

(a) Finance lease commitments

Leasing commitments not capitalised in the financial statements

Payable:

Not later than 12 months		14,475	14,475
Between 12 months and 5 years		3,619	3,619
Present value of minimum lease payments	14	18,094	18,094

Note 18. Financial risk management

(a) Net fair values

The net fair values of listed investments have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. For other assets and other liabilities net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments. Financial assets where the carrying amount exceeds net fair values have not been written down as the company intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

Aggregate net fair values and carrying amounts of financial assets and financial liabilities at balance date.

Note 19. Company details

The registered office of the company is:

Robe Community Financial Services Ltd

The principal place of business is:

Robe Community Financial Services Ltd

9 Victoria Street

Robe SA 5276

Notes to the financial statements (continued)

	2013 \$	2012 \$
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Note 20. Cash flow information

(a) Reconciliation of cash

Cash at the end of financial year as shown in the Statement of Cash Flows is reconciled to the related items in the statement of financial position as follows:

Cash at bank	318	294
Bank overdraft	29,455	(24,963)
	29,773	(24,669)

(b) Reconciliation of cash flow from operations with profit from ordinary activities after income tax

Profit from ordinary activities after income tax	75,052	78,112
Non-cash flows in profit from ordinary activities:		
Depreciation	2,933	5,902
Changes in assets & liabilities:		
(Increase)/decrease in plant	(1,200)	805
(Increase)/decrease in other assets	-	(2,364)
(Increase)/decrease in trade and term debtors	(13,603)	(5,397)
Increase/(decrease) in provisions	(4,114)	(1,130)
Increase/(decrease) in payables	(10,590)	(6,364)
Increase/(decrease) in deferred taxes payable	32,165	33,463
Net cash provided by operating activities	80,643	103,027

Directors' declaration

The Directors of the company declare that:

1. the financial statements and notes, as set out on pages 9 to 22 are in accordance with the Corporations Act 2001:
 - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 30 June 2013 and of the performance for the year ended on that date of the company
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.



Mark Andrew Baker
Director

17 September 2013

Independent audit report



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INDEPENDENT AUDIT REPORT TO THE MEMBER OF ROBE COMMUNITY FINANCIAL SERVICES LTD

Report on the Financial Report

We have audited the accompanying financial report of Robe Community Financial Services Ltd (the company) which comprises the balance sheet as at 30 June 2013 and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the director's declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: 'Presentation of Financial Statements', that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

Auditor's Responsibility

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

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

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

is only valid if a scheme approved
under Professional Standards Legislation

Independent audit report (continued)



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INDEPENDENT AUDIT REPORT TO THE MEMBER OF ROBE COMMUNITY FINANCIAL SERVICES LTD

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, provided to the directors of Robe Community Financial Services Ltd on 30 September 2013, would be in the same terms if provided to the directors as at the date of this auditor's report.

Auditor's Opinion

In our opinion:

- a. The financial report of Robe 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 (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
- b. The financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Mark Stephen Edwards
Chartered Accountant
172 Smith Street
Naracoorte, SA, 5271

Registered Auditor: Mark Edwards
Registered Auditor No. 289565
Naracoorte

30 September 2013

Robe **Community Bank**[®] Branch
9 Victoria Street, Robe SA 5276
Phone: (08) 8768 1855

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