



Annual Report 2014

Robe Community
Financial Services Limited

ABN 24 101 974 887

Robe & Districts **Community Bank®** Branch

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Chairman's report

For year ending 30 June 2014

Not only does the **Community Bank**[®] branch support various groups and clubs through sponsorship each year, we are also adding to the strength of our community through employment opportunities within the district and rewarding our shareholders with a dividend this year. This year this has been strengthened with Robe Community Financial Services Limited now having three full-time staff to serve the community.

We would like to wish Helen Slessar all the best in her retirement and thank her for her four years of valuable service to the branch. Whilst her role was part-time, it enabled the branch to grow to a point now where we felt this was an opportunity to upgrade her position to a full-time role.

With the resignation of Aaron Sayers in early January, Paul Bobridge was appointed Acting Manager, while Bendigo Bank and the Board searched for a new Manager. During this time, Paul displayed the qualities required to be a successful Manager, including identifying opportunities in Kingston where we are considering opening an agency. After approximately three months, Paul displayed the attributes that we were looking for in our new Manager: one being his strong connections in the local community. From a strong field of applicants, Paul was successful in being appointed to the role of Branch Manager.

With Paul moving up to the position of Branch Manager and Helen retiring, two staffing positions needed to be filled. Immediately, Paul had a solution to part of this situation with Emma Brooks. We would like to welcome Emma on board as she comes to us with a number of years in the banking industry. This left us with one position to fill, which was advertised internally and externally. Once again we had a number of applicants. Tracey Long was the successful applicant and brings with her extensive experience in insurance and the finance industry.

Angela Timmons will maintain her part-time position, and with her versatility, is continuing to be an invaluable member of the team.

With a year of significant staff changes, I feel we have come through this and now have a strong and vibrant team.

I would like to thank our retiring founding Directors Merrilyn Paxton, Peter Darr and Ian Regnier for the great legacy that they have left the Robe community. The branch has successfully grown to be a profitable and a significant contributor to the Robe community in a number of ways including employment opportunities as outlined above and community sponsorships, which in their period of governance totaled \$130,000. In the coming years, Robe Community Financial Services Limited will continue to grow and be a great contributor to this community. Once again, I would like, on behalf of the Robe community, shareholders, Bendigo Bank and current Board members, to thank them for their efforts and endeavours over the ten years of their involvement in establishing Robe Community Financial Services Limited.

We would also like to thank Michael Mattei for his contribution over the last five years as a Board member and as our Treasurer. His essential input was always valued and appreciated.

We would like to welcome the new incoming Directors Annie Matthews and Geoff Saunders who bring valuable skills to the Board and have already made substantial contributions.

Last year we celebrated our ten years of business and we also passed the \$100,000 community contributions milestone. Last October we held a modest celebration at the branch with a barbecue, noting that our contributions have grown to \$130,000 plus and now stand at \$150,000 and rising.

This continued growth is also made up of an \$8,500 donation to the Netball and Tennis clubs for their pergola. These clubs, along with their members, have been strong supporters of the Robe & Districts **Community Bank**[®] Branch. Our other recent major sponsorships include Kangaroo Inn Area School, the Scholarships Program, the Robe Boat and Fishing Festival, Longridge Aged Care and the Mayoral Christmas 'Light Up' Parade.

Chairman's report (continued)

Having had a substantial amount of business on our book from Keith, the Board agreed to support the opening of the Keith & Districts **Community Bank**[®] Branch with a sponsorship of \$5,000 as a gesture of goodwill to the Keith community.

Whilst this was a significant amount of business, it did affect our monthly income, which has been shown in our budget. With this, and not receiving assistance from Bendigo Bank for the Branch Manager's salary this year, the company achieved a creditable result by reaching budget. I would like to thank Bendigo Bank on behalf of the Board for their assistance over the years with payment of the Branch Manager's salary. This has been a very generous gesture and has been greatly appreciated.

With the results that have been achieved this year, I have every confidence in the new team's ability to both achieve and exceed the goals set for the 2014/15 financial year.

A handwritten signature in black ink, appearing to read 'Mark Baker'.

Mark Baker
Chairman

Manager's report

For year ending 30 June 2014

The financial year 2013/14 has been a great year again for the branch and one filled with many changes:

- The branch made a profit for the fifth consecutive year;
- We farewelled Aaron Sayers, our previous Branch Manager;
- Helen Slessar has moved into a casual role, opening up two full-time positions. On that matter, I would like to thank Helen for all her efforts for the past four years with the branch. She definitely has been missed;
- This, in turn, saw us welcome back home a familiar face to Robe, Emma Brooks, who has been travelling around the UK for the past two years. Prior to that, Emma worked with ANZ in Adelaide and so she brings a wealth of knowledge to the team;
- We also welcome a new friendly face to the branch, Tracey Long. Tracey has worked in commercial insurance for the last nine years as a commercial underwriter and has settled into the team amazingly well;
- I was lucky enough to be given the opportunity to step up to the Branch Manager's position this year and am enjoying the challenge;
- Our name has changed to "Robe & Districts **Community Bank**[®] Branch".

It's great to also see, in the past 12 months, Bendigo Bank open up its 305th **Community Bank**[®] branch in Australia which also happened to be one close to home, namely Penola & District **Community Bank**[®] Branch.

The Keith & Districts **Community Bank**[®] Branch opened up earlier this year, also making the South East quite a driving force in the **Community Bank**[®] network. Robe & Districts **Community Bank**[®] Branch was pleased to recognise this opening with a sponsorship that also carried our best wishes for the Keith & Districts **Community Bank**[®] Branch's every success.

Up to June this year, the **Community Bank**[®] network has put back over \$125 million into their communities and paid over \$37 million to their shareholders.

This achievement is something for us all to be very proud of.

Some of our other achievements over the last 12 months have included:

- Robe **Community Bank**[®] Branch coming second in SA/NT for 'Branch of the Year', which is no small feat out of 42 branches;
- This year seeing us hit another milestone with our distribution of just over \$150,000 into the community;
- School banking with Robe Primary School;
- The purchase of a resident's bed at Long Ridge Aged Care facility;
- The donation of \$8,500 to the Robe Netball & Tennis club for an extension of the pergola;
- Major sponsorship for the Robe Boat Show for the third year running.

We have had the pleasure this year of being able to sponsor the following community organisations in Robe and District, Lucindale and Naracoorte:

Manager's report (continued)

List of sponsorships – 2013/14

- Lucindale Campdraft Association;
- Mayoral Christmas Light Up Parade;
- Kangaroo Inn Area School;
- Keith **Community Bank**® Branch;
- Robe Boat & Fishing Festival;
- Robe Netball Club;
- Robe Primary School;
- Robe Tennis Club;
- Robe Yacht Club;
- SA Volunteer Fire Fighters Museum;
- Scholarship Program;
- Longridge Aged Care.

These sponsorships bring a grand total of \$27,250.

This year, the branch has worked on nurturing and forming new partnering relationships with local community groups and it gives me great pleasure to announce that we will be working closely with Robe Surf Lifesaving Club and all the Emergency Service entities.

We are in the process of sourcing an agency in Kingston to service our growing network of customers and the response has been fantastic. So please watch this space.

I would like to pay credit to the team of amazing women that I work with. Without them, the branch wouldn't run as smoothly as it does. It is also a credit to the staff that our branch was awarded second position for 'Branch of the Year' in SA/NT.

Finally, I would like to thank the Board of Directors for all the hard work they have put in this year. This is a group of volunteers that dedicate their time to making the decisions that help run our local **Community Bank**® branch and build our community projects while assisting our not-for-profit groups.



Paul Bobridge
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.

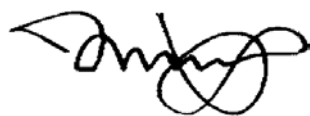
Banks inject a high-level of capability and knowledge in the places they operate, supporting the sustainability of communities and helping to ensure they're viable. The Bank calls for a framework that incentivises banks, and the people who work for them, to be good corporate citizens, while promoting 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 on the company for the financial year ended 30 June 2014.

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

Mark Andrew Baker
Michael William Slessar
Evelyn Ann Schinckel
Annie Marie Matthews (appointed 19 November 2013)
Geoffrey Colin Saunders (appointed 19 November 2013)
Ian Regnier (retired 19 November 2013)
Merilyn Paxton (retired 19 November 2013)
Michael Mattei (retired 19 November 2013)
Peter Darr (retired 19 November 2013)

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 \$66,710.

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 maintained operating revenue. This was despite the fact that the Keith & Districts **Community Bank**[®] Branch was opened and therefore some revenue was lost to this branch. This wasn't part of the original budget. Overall revenue was down 7%, this was due to the fact that this was the first year that the branch didn't receive support from Bendigo and Adelaide Bank Limited. Expenditure also stayed even with the previous year.

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:

- Fully franked dividends of \$22,281 were paid during the financial year.

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 \$5,000,000 covering comprehensive crime and professional indemnity which is paid by the company.

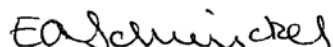
No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

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:



Evelyn Schinckel
Director

15 September 2014

Auditor's independence declaration

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

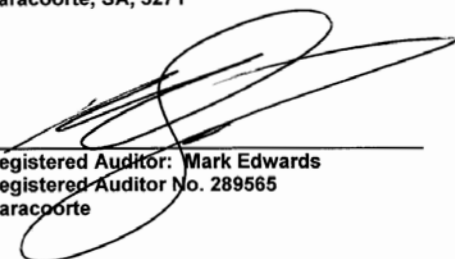
TO THE DIRECTORS OF ROBE COMMUNITY FINANCIAL SERVICES LTD

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2014 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

26 September 2014

Liability limited by a scheme approved under Professional Standards Legislation

Financial statements

Income Statement for the year ended 30 June 2014

	Note	2014 \$	2013 \$
Revenue	2	497,479	533,350
Employee benefits expense		(220,264)	(211,218)
Depreciation and amortisation expenses		(23,371)	(17,406)
Finance costs		(6,320)	(9,588)
Other expenses		(180,814)	(190,916)
Profit before income tax expense		66,710	104,221
Income tax benefit (expense)	3	(18,553)	(32,501)
Profit attributable to member of the company		48,157	71,721
Dividend per share (cents)		5	5

The accompanying notes form part of these financial statements.

Financial statements (continued)

Balance Sheet as at 30 June 2014

	Note	2014 \$	2013 \$
Assets			
Current assets			
Cash and cash equivalents	7	38,629	29,773
Trade and other receivables	8	29,466	48,362
Other current assets	9	3,782	3,512
Total current assets		71,877	81,647
Non-current assets			
Property, plant and equipment	10	50,226	36,650
Intangibles	11	56,123	71,646
Deferred tax assets	12	110,856	129,408
Total non-current assets		217,204	237,704
Total assets		289,081	319,352
Liabilities			
Current liabilities			
Trade and other payables	13	13,973	9,932
Financial liabilities	14	40,579	51,229
Short-term provisions	15	13,692	8,825
Total current liabilities		68,245	69,987
Non-current liabilities			
Financial liabilities	14	110,000	164,405
Total non-current liabilities		110,000	164,405
Total liabilities		178,245	234,392
Net assets		110,836	84,960
Equity			
Issued capital	16	427,989	427,989
Retained profits (accumulated losses)		(317,152)	(343,029)
Total equity		110,836	84,960

The accompanying notes form part of these financial statements.

Financial statements (continued)

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

	Note	Issued capital \$	Retained earnings \$	Total equity \$
Balance at 1 July 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
Profit attributable to equity shareholders		48,157	48,157	48,157
Sub-total		427,989	(294,872)	133,117
Dividend paid or provided for	6		(22,281)	(22,281)
Balance at 30 June 2014		427,989	(317,152)	110,836

The accompanying notes form part of these financial statements.

Financial statements (continued)

Cash Flow Statement for the year ended 30 June 2014

	Note	2014 \$	2013 \$
Cash flows from operating activities			
Receipts from customers		507,252	523,541
Payments to suppliers & employees		(446,952)	(467,996)
Interest received		32	4
Trade creditors		(33,357)	24,578
GST		3,380	(3,057)
PAYG Withholding		660	3,088
Debtors		36,546	485
Dividends		(22,280)	-
Net cash provided by operating activities	20	45,281	80,643
Cash flows from investing activities			
Plant purchases/adjustments		(21,424)	(1,200)
Net cash provided by (used in) investing activities		(21,424)	(1,200)
Cash flows from financing activities			
Repayments of borrowings		(15,000)	(25,000)
Net cash provided by (used in) financing activities		(15,000)	(25,000)
Net increase in cash held		8,857	54,443
Cash at beginning of financial year		29,772	(24,671)
Cash at end of financial year	20	38,629	29,772

The accompanying notes form part of these financial statements.

Notes to the financial statements

For year ended 30 June 2014

Note 1. Statement of significant accounting policies

This financial report covers Robe Community Financial Services Limited as an individual entity. Robe Community Financial Services Limited 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 asset is realised or the liability settled, based on tax rates enacted or substantively enacted at reporting date. Their 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 charged against fair value reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on 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 at 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.

(i) 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 Bendigo and Adelaide Bank Limited 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	2014 \$	2013 \$
Note 2. Revenue			
Rendering of services		497,447	533,346
Interest received		32	4
Total revenue		497,479	533,350

Note 3. Income tax expense

(a) The components of tax expense comprise:

Current tax			
Deferred tax	12	18,553	32,500
		18,553	32,501

(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% (2013: 30%)		-	-
Add tax effect of:			
Profit as per income statement		66,710	104,221
Tax applicable to profit		18,553	32,500
		85,263	136,721

Notes to the financial statements (continued)

	2014 \$	2013 \$
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Note 3. Income tax expense (continued)

Less tax effect of:

Tax effect of utilisation of carried forward losses	18,553	32,500
Income tax expense attributable to entity	66,710	104,221
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.

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

	5,940	5,785
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Note 6. Dividends

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

Cash at bank - business account	38,629	29,455
Cash at bank - staff Christmas club	-	318
	38,629	29,773

Note 8. Trade and other receivables

Current

Trade debtors	29,466	37,202
Debtor	-	11,160
	29,466	48,362

Note 9. Other assets

Current

Prepayments	3,782	3,512
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Notes to the financial statements (continued)

	2014 \$	2013 \$
Note 10. Property, plant and equipment		
Property improvements	53,471	45,385
Less accumulated depreciation	(21,913)	(18,923)
Total land and buildings	31,558	26,462
Motor vehicles	7,529	-
Less accumulated depreciation	(1,067)	-
	6,462	-
Furniture and fittings	58,621	52,812
Less accumulated depreciation	(46,414)	(42,624)
	12,206	10,188
Total plant and equipment	18,668	10,188
Total property, plant and equipment	50,226	36,650

Note 11. Intangible assets

Franchise fees	71,646	71,646
Accumulated amortisation and impairment losses	15,524	
	56,123	71,646
Reconciliation of franchise fees		
Balance at beginning of year	71,646	11,477
Additions	-	71,646
Disposals	-	-
Amortisation charge	(15,524)	(11,477)
Impairment losses	-	-
Closing carrying value at 30 June 2014	56,123	71,646

Note 12. Tax

Deferred tax assets

Provisions - employee benefits

Opening balance	2,648	3,882
Credited (charged) to the income statement	1,460	(1,234)
Closing balance	4,108	2,648

Notes to the financial statements (continued)

	2014 \$	2013 \$
Note 12. Tax (continued)		
Carried forward losses		
Opening balance	127,096	158,027
Credited (charged) to the income statement	(20,348)	(30,931)
Closing balance	106,748	127,096
Balance at year end	110,856	129,744

Note 13. Trade and other payables

Current

Goods And Services Tax	5,981	2,600
Payroll liabilities	7,992	7,332
	13,973	9,932

Note 14. Financial liabilities

Current

Bank overdraft - trust account	19	-
Managers Mastercard	349	175
Franchise renewal fees - current	39,405	39,405
Trade creditors	806	11,649
	40,579	51,229

Non-current

Bendigo and Adelaide Bank Limited interest only	110,000	125,000
Franchise renewal fees	-	39,405
	110,000	164,405

Note 15. Provisions

Provision for annual leave	13,692	8,825
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Note 16. Issued capital

Ordinary shares @ \$1 each	445,610	445,610
Prospectus fees & costs	(17,621)	(17,621)
	427,989	427,989

Notes to the financial statements (continued)

	2014 \$	2013 \$
Note 17. Leasing commitments		
(a) Finance lease commitments		
Leasing commitments not capitalised in the financial statements		
Payable:		
not later than 12 months	15,656	14,475
between 12 months and 5 years	-	3,619
Present value of minimum lease payments	14	15,656
		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 Limited

The principal place of business is:
Robe Community Financial Services Limited

	2014 \$	2013 \$
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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
Bank overdraft	38,629	29,455
	38,629	29,773

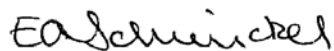
Notes to the financial statements (continued)

	2014 \$	2013 \$
Note 20. Cash flow information (continued)		
(b) Reconciliation of cash flow from operations with profit from ordinary activities after income tax		
Profit from ordinary activities after income tax	48,157	75,052
Non-cash flows in profit from ordinary activities:		
Depreciation & amortisation	23,371	2,933
Changes in assets & liabilities:		
(Increase)/decrease in plant	(21,424)	(1,200)
(Increase)/decrease in trade and term debtors	32,772	(13,603)
Increase/(decrease) in provisions	4,867	(4,114)
Increase/(decrease) in payables	(61,014)	(10,590)
(Increase)/decrease in deferred taxes	18,552	32,165
Net cash provided by operating activities	45,281	80,643

Directors' declaration

The Directors of the company declare that:

1. the financial statements and notes, as set out on pages 11 to 24 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 2014 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.



Evelyn Schinckel
Director

15 September 2014

Independent audit report

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Your future...count on us

INDEPENDENT AUDIT REPORT TO THE MEMBERS 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 2014 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.

Liability limited by a scheme approved under Professional Standards Legislation

Independent audit report (continued)

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

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, provided to the directors of Robe Community Financial Services Ltd on 26 September 2014, 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:

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 2014 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.

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


Registered Auditor: Mark Edwards
Registered Auditor No. 289565

26 September 2014

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