

Annual Report 2017

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 2017

I am proud to present to you our 2016/17 Annual Report for Robe Community Financial Services Limited.

Having a strong finish to the 2015/16 financial year, we were able to maintain the momentum throughout the 2016/17 financial year and turn a small loss of \$4,200 into a net profit of \$77,187 for 2016/17. This has been a great achievement by the team at Robe & Districts **Community Bank®** Branch.

We have had some significant changes within our team. With the departure of Paul Bobridge to further his career with Bendigo Bank, we had to appoint a new Manager. We were very fortunate to be able to do this from within. Tracey Long was given a six month trial period and continued the good work of Paul. The Board was extremely happy to be able to appoint her to a permanent position. Tracey has excelled in the role, not only maintaining the Business development momentum that we had built up but also finding and implementing efficiencies in the management of the Robe & Districts **Community Bank®** Branch. We look forward to her continued enthusiasm and energy that she brings to the **Community Bank®** branch.

Late in the year Lauren Walters left to pursue a new direction in her career. We were able to advertise the position and had a number of outstanding applicants for the role of Customer Service Officer. We would like to welcome Katie Anne Agnew to the team at Robe & Districts **Community Bank®** Branch.

During the year we also welcomed two new Board members Andrew Brown and Tom Davidson. They will both come up for election at the Annual General Meeting, they have presented themselves extremely well at the Board meetings and have shown that they will be a great asset to Robe & Districts **Community Bank®** Branch.

Tracey and the staff have been very active in the community. BBQ's were held on Sunday mornings during January at Long beach with donations going to various local community groups. Tracey was heavily involved organising the Christmas Parade and she has also made numerous presentations at community events resulting in a generous support of \$19,000 going back into the communities of Robe and Kingston.

The Kingston agency is showing itself as a valuable asset in the district enabling Tracey to make contact with people in that area. We would like to thank Pauline and Ken Williams for their continued support. With various bank closures and reductions in trading hours, the agency is maintaining easy access to Bendigo services with 9.00am – 5.00pm Monday to Friday and Saturday morning trading hours in the Kingston District.

In closing I would like to say that we have had a very good year, the book has grown from \$69 million to \$79 million, the team have made some great community and business connections across the district and have set up the Robe & Districts **Community Bank®** Branch for a great start to the 2017/18 financial year. Once again I would like to thank the staff and Board members for their support and enthusiasm in building a great and sustainable community asset.

Yours faithfully,



Mark Baker
Chairman

Manager's report

For year ending 30 June 2017

A warm hello to all the shareholders of our company.

You may recall that at last year's Annual General Meeting I delivered our Manager's Report on behalf of our previous Branch Manager Paul Bobridge. Some of you may like to know that since moving to a Corporate Bendigo Bank Branch in Western Australia last year, Paul has accepted a role as a Sales & Capability Manager for Central Victoria based in the Bendigo office and is responsible for his own region consisting of 17 branches. This is a fantastic and well deserved opportunity for Paul and we wish him all the best in his new role.

Our branch has seen quite a few changes since Paul's relocation and I can confidently say that the team have adapted well and the evidence is in our results for the 2016/17 financial year. We've welcomed Traci Mathwin as our Regional Manager and Paul Mertin as our Regional Community Manager. Traci and Paul's appointment has been pivotal to Bendigo Bank as they provide support to myself and the Board of Directors. The Board and branch have also welcomed back Emma Brooks back from maternity leave and recently recruited Katie-Anne Agnew as a Customer Service Officer.

The 2016/17 financial year saw the bank support various community groups, projects and initiatives with over \$19,000 injected back into the district. All of this was made possible by the customers of the Robe & Districts **Community Bank®** Branch. Our sponsorship allocations allowed us to maintain our commitment to existing community groups but also gave us the opportunity to delve deeper into the surrounding district and partner with new community groups.

Our footprint in Kingston has been bigger than before with the Kingston Agency doing a tremendous job in sharing our community story and growing our Kingston base clientele. In return, we have been able to provide support to new community groups in Kingston. To date, our total community contributions have exceeded \$230,000.

Sharon or I spend Wednesdays in a private office in Kingston servicing new and existing customers for enquiries that are outside of the agency's expertise. This office space has played an integral part in our growth and we will look to replicate a similar office space in Lucindale in the near future.

I'm proud to say that we've been true to our vision of being Australia's Most Customer Connected Bank by being the only financial institution in our district servicing our customers Monday to Friday 9.00am – 5.00pm. Our customers recognise consistency as key and being locally owned means that we can continue this level of service with the backing of our community.

With a new team structure in place we were able to see out the financial year with a solid profit that started taking shape late in 2016. We continued this upward trend to reach our lending and deposit targets with growth of \$10 million. This fantastic growth gave us a net profit of \$77,187 and has set the benchmark for budget measures going forward. Many new achievements were accomplished and the future looks bright.

I would like to thank the staff for their commitment to growing the company and the Board of Directors for their ongoing leadership and the support that they have provided to me in my role as Branch Manager. On behalf of the staff I would also like to thank our business partner Bendigo and Adelaide Bank.

We look forward to seeing what the new financial year has to offer and as always we thank our shareholders and customers for their ongoing support to the Robe & Districts **Community Bank®** Branch.

Kind regards,



Tracey Long
Branch Manager

Bendigo and Adelaide Bank report

For year ending 30 June 2017

As we approach 20 years since the first **Community Bank**[®] branch opened its doors, it's timely to reflect on the role of our network's 70,000-strong shareholders and its army of nearly 2,000 passionate local Directors.

As a group of people you are a powerful force that continues to influence change both locally and nationally.

United for a shared purpose in your communities, you are making big things happen beyond the delivery of great banking products and services; you're creating jobs, helping businesses to thrive, solving problems and achieving outcomes that will make your communities better places to live and do business.

Amongst other things, you are providing hundreds of thousands of people in communities around Australia with new opportunities to:

- Play sport in new **Community Bank**[®] funded centres.
- Continue their education thanks to a **Community Bank**[®] scholarship.
- Seek treatment in hospitals closer to home with equipment funded through a **Community Bank**[®] grant.
- Reap the environmental benefits of **Community Bank**[®] funded solar panels and LED lighting, and
- Access mental health services for teenage children with a service supported by a local **Community Bank**[®] branch.

In fact, since the model's inception your investment in local communities exceeds \$165 million and that figure continues to grow every year. This amount excludes the significant co-investment on key projects that many companies have obtained from Government and other parties.

Nationally our voices are increasingly being heard, and our collaborative approach recognised and celebrated.

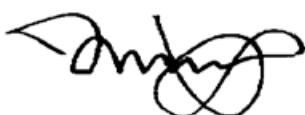
Representing us all at a recent forum at Canberra's Parliament House, Bendigo Bank's Managing Director and Chairman reinforced the significance of the **Community Bank**[®] model's achievements and called for regulatory change that would help us compete in a crowded and ever-evolving banking sector. Just two months later, the Federal Government announced a levy on Australia's biggest banks that is set to re-level the playing field as we've regularly advocated for.

But for us this is more than a levy. The Turnbull Government's announcement recognises the importance of customers having access to a robust, competitive and customer-focused banking sector. On this note Bendigo Bank was recently recognised as the banking provider of choice in the annual Mozo People's Choice Awards. Better yet, out of 110 banking providers nationally, we were the only bank recognised in all eight banking categories – and were rated the leading bank in six of those eight categories.

This is an extraordinary achievement for you and our bank. Not only does it demonstrate that, in the eyes of our customers, we are doing something right – it very clearly outlines that together we can continue to achieve results.

As we've long known, the more successful our customers are, the stronger our communities become. In this regard the **Community Bank**[®] model enables these outcomes for customers and communities, as increasingly recognised by more and more Australians.

So thank you for your investment in your local **Community Bank**[®] company, for your ongoing contribution and support, tireless advocacy and continued commitment to building strong local communities. Without this, our **Community Bank**[®] branches would be just another bank.



Robert Musgrave
Executive Engagement Innovation

Directors' report

For the financial year ended 30 June 2017

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

Directors

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

Mark Andrew Baker
Evelyn Ann Schinckel
Anne Marie Matthews
Geoffrey Colin Saunders
Adrian Johns
Tommy Davidson appointed March 2017
Andrew Brown appointed March 20017

Review of operations

The profit of the company for the financial year after providing for income tax amounted to \$44,949.

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

During the 2017 financial year the company's Net Profit before Income Tax was \$77,187 (2016 financial year was a loss of \$9,358). The budget for 2018 indicates this trend in growth will continue. There has been an increase in Total Revenue by 18% for the 2017 on 2016 financial year, which has built on an increase of 10% during 2016 (28% increase on 2015 financial year). Total 2017 Employment Costs are marginally lower than 2016, approximately 3.8% lower. Total Expenditure has also seen a marginal decrease during 2017 financial year.

Significant changes in the state of affairs

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

Principal activities

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.

Events subsequent to the end of the reporting period

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 and expected results of operations

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.

Directors' report (continued)

Environmental regulation

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

No dividends have been paid or declared since the start of the financial year.

Options

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.

Indemnification of Officers

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 maintain a policy covering comprehensive crime and professional indemnity which is paid by the company. Disclosure of the premium and level of cover is prohibited by a confidentiality clause within the policy.

Proceedings on behalf of company

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



Anne Matthews
Director

27 September 2017

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 LIMITED

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

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

Mark Stephen Edwards
Chartered Accountant

172 Smith Street
Naracoorte, SA, 5271

Registered Auditor: **Mark Edwards**
Registered Auditor No. 289565

28 September 2017

Financial statements

Statement of Profit or Loss for the year ended 30 June 2017

	Notes	2017 \$	2016 \$
Revenue	2	551,893	469,542
Employee benefits expense		(274,940)	(285,938)
Depreciation and amortisation expenses		(28,409)	(25,106)
Finance costs		(9,407)	(8,921)
Other expenses		(161,950)	(158,935)
Profit (loss) before income tax		77,187	(9,358)
Tax income (expense)	3	(32,238)	5,118
Profit (loss) for the year		44,949	(4,240)
Profit (loss) attributable to member of the company		44,949	(4,240)

The accompanying notes form part of these financial statements.

Financial statements (continued)

Statement of Financial Position as at 30 June 2017

	Notes	2017	2016
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	5	21,413	-
Trade and other receivables	6	56,136	42,139
Other assets	7	3,769	3,769
Total current assets		81,319	45,907
Non-current assets			
Property, plant and equipment	8	51,379	65,368
Intangible assets	9	13,406	27,825
Deferred tax assets	10	88,424	120,662
Total non-current assets		153,208	213,855
Total assets		234,527	259,763
Liabilities			
Current liabilities			
Trade and other payables	11	18,792	15,409
Borrowings	12	956	9,640
Provisions	13	17,372	20,851
Total current liabilities		37,121	45,901
Non-current liabilities			
Borrowings	12	57,345	118,750
Total non-current liabilities		57,345	118,750
Total liabilities		94,466	164,651
Net assets		140,061	95,112
Equity			
Issued capital	14	427,989	427,989
Retained earnings (accumulated losses)		(287,928)	(332,876)
Total equity		140,061	95,112

The accompanying notes form part of these financial statements.

Financial statements (continued)

Statement of Changes in Equity for the year ended 30 June 2017

	Share capital \$	Retained earnings \$	Total equity \$
Balance at 1 July 2015	427,989	(328,636)	99,353
Comprehensive income			
Profit (loss) for the year	-	(4,240)	(4,240)
Total comprehensive income for the year attributable to the member of the company	-	(4,240)	(4,240)
Balance at 30 June 2016	427,989	(332,876)	95,112
Balance at 1 July 2016	427,989	(332,876)	95,112
Comprehensive income			
Profit for the year	-	44,949	44,949
Total comprehensive income for the year attributable to the member of the company	-	44,949	44,949
Balance at 30 June 2017	427,989	(287,928)	140,061

The accompanying notes form part of these financial statements.

Financial statements (continued)

Statement of Cash Flows for the year ended 30 June 2017

	Notes	2017 \$	2016 \$
Cash flows from operating activities			
Receipts from customers		551,893	469,822
Payments to suppliers & employees		(460,626)	(482,051)
Trade creditors		(3,702)	3,018
GST		4,145	1,355
PAYG Withholding		(794)	2,898
Debtors		332	4,407
Net cash provided by (used in) operating activities	18	91,248	(551)
Cash flows from investing activities			
Plant purchases/adjustments		-	(18,988)
Net cash provided by (used in) investing activities		-	(18,988)
Cash flows from financing activities			
Proceeds from borrowings		-	27,500
Repayments of borrowings		(61,406)	(3,750)
Net cash provided by (used in) financing activities		(61,406)	23,750
Net increase in cash held		29,842	4,211
Cash and cash equivalents at beginning of financial year		(8,429)	(12,640)
Cash and cash equivalents at end of financial year	18	21,413	(8,429)

The accompanying notes form part of these financial statements.

Notes to the financial statements

For year ended 30 June 2017

The financial statements cover 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.

The financial statements were authorised for issue on 27 September 2017 by the Directors of the company.

Note 1. Summary of significant accounting policies

Basis of preparation

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The company is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

(a) Income tax

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

Current tax and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination or are recognised directly in equity or in other comprehensive income. 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.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Notes to the financial statements (continued)

Note 1. Summary 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 carried 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 accumulated depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in equity; all other decreases are recognised in profit or loss.

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 asset, 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 recognised as expenses in the statement of profit or loss in 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 lease assets but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the company commencing from the time the asset is held ready for use.

Notes to the financial statements (continued)

Note 1. Summary of significant accounting policies (continued)

(c) Financial instruments

Initial recognition and 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

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

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.

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

Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are 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. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

(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. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have 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.

Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iv) Available-for-sale investments

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Notes to the financial statements (continued)

Note 1. Summary of significant accounting policies (continued)

(c) Financial instruments (continued)

Classification and subsequent measurement (continued)

They are subsequently measured at fair value with any re-measurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are not expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

(v) Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a 'loss event') having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

(d) Employee benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits have been measured at the nominal amounts expected to be paid when the liability is settled, plus any related on-costs. Both annual leave and long service leave are recognised within the provisions liability.

(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.

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).

Notes to the financial statements (continued)

Note 1. Summary of significant accounting policies (continued)

(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.

Going concern

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 Bank 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 Bank Limited who provide Working Capital by the way of an Overdraft facility to support the company's operations. Bendigo Bank 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 Bank Management to further develop the business.

	2017 \$	2016 \$
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Note 2. Revenue and other income

Rendering of services	551,893	467,042
Government Subsidies	-	2,500
Total revenue	551,893	469,542

Note 3. Tax expense

(a) The components of tax income (expense) comprise:

Current tax	(32,238)	5,118
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Note 4. Auditor's remuneration

Remuneration of the Auditor:

Auditors remuneration	5,390	5,240
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Note 5. Cash and cash equivalents

Cash at bank - business account	21,413	-
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Note 6. Trade and other receivables

Current		
Trade debtors	56,136	42,139

Notes to the financial statements (continued)

	2017	2016
	\$	\$

Note 7. Other assets

Current

Prepayments	3,769	3,769
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Note 8. Property, plant and equipment

Property improvements	70,972	70,972
Less accumulated depreciation	(40,392)	(34,772)
Total land and buildings	30,580	36,200
Motor vehicles	24,507	24,507
Less accumulated depreciation	(6,140)	(17)
	18,367	24,490
Furniture and fittings	55,510	55,510
Less accumulated depreciation	(53,080)	(50,832)
	2,431	4,678
Total plant and equipment	20,798	29,168
Total property, plant and equipment	51,379	65,368

Note 9. Intangible assets

Borrowing costs	270	360
Franchise fees	13,135	27,465
Accumulated amortisation and impairment losses	-	-
Net carrying value	13,135	27,465
	13,406	27,825

Reconciliation of franchise fees

Balance at beginning of year	13,135	27,465
Additions	-	-
Disposals	-	-
Amortisation charge	-	-
Impairment losses	-	-
Closing carrying value at 30 June 2017	13,135	27,465

Impairment disclosures

The recoverable amount of the cash-generating unit is determined based on value-in-use calculations. Value-in-use is calculated based on the present value of cash flow projections over a 10-year period with the period extending beyond five years extrapolated using an estimated growth rate. The cash flows are discounted using the yield of a 10-year government bond at the beginning of the budget period.

Notes to the financial statements (continued)

	2017 \$	2016 \$
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Note 10. Tax

Assets

Non-current

Future income tax benefits	88,424	120,662
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Note 11. Trade and other payables

Current

Goods and Services Tax	12,304	8,159
Trade creditors	1,116	1,084
Payroll liabilities	5,372	6,166
	18,792	15,409

Note 12. Borrowings

Current

Bank overdraft - business account	-	8,430
Managers Mastercard	956	1,211
Total current borrowings	956	9,640

Non-current

Bendigo bank interest only	36,250	91,250
Equipment finance	21,095	27,500
Total non-current borrowings	57,345	118,750
Total borrowings	58,301	128,390

Note 13. Provisions

Current

Provision for annual leave	17,372	20,851
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Note 14. 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)

	Note	2017 \$	2016 \$
Note 15. Leasing commitments			
(a) Finance lease commitments			
Leasing commitments not capitalised in the financial statements			
Payable:			
not later than 12 months		7,562	7,562
between 12 months and five years		15,124	22,687
Present value of minimum lease payments	12	22,686	30,249
(b) Operating lease commitments			
Non-cancellable operating leases contracted for but not recognised in the financial statements			
Payable:			
not later than 12 months		18,140	17,442
between 12 months and five years		41,767	59,907
		59,907	77,349

Note 16. Financial risk management

Fair values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying amounts as presented in the statement of financial position.

Differences between fair values and carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the company. Most of these instruments, which are carried at amortised cost (ie trade receivables, loan liabilities), are to be held until maturity and therefore the fair value figures calculated bear little relevance to the company.

Note 17. 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)

	2017 \$	2016 \$
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Note 18. Cash flow information

(a) Reconciliation of cash

Cash at the end of financial year as included in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

Bank Overdraft	21,413	(8,430)
	21,413	(8,430)

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

Profit after income tax	44,949	(4,241)
Non-cash flows in profit:		
Depreciation & amortisation	28,408	25,106
Changes in assets and liabilities:		
(Increase)/Decrease in Plant	-	(26,582)
(Increase)/Decrease in Trade and Term Debtors	(13,997)	(12,793)
Increase/(Decrease) in Provisions	(3,479)	7,701
Increase/(Decrease) in Payables	3,129	15,376
(Increase)/Decrease in Deferred Taxes	32,238	(5,118)
Net cash provided by (used in) operating activities	91,248	(551)

Directors' declaration

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

1. The financial statements and notes, as set out on pages 8 to 20 are in accordance with the Corporations Act 2001: and
 - a. comply with Australian Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards; and
 - b. give a true and fair view of the financial position as at 30 June 2017 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.



Anne Matthews

Director

27 September 2017

Independent audit report

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INDEPENDENT AUDITOR'S REPORT

To the Members of Robe Community Financial Services Limited Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Robe Community Financial Services Ltd ('the Company') which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Robe Community Financial Services Ltd, is in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2017 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Information Other than the Financial Report and Auditor's Report Thereon

Those charged with governance are responsible for the other information. The other information comprises the information included in the Annual Report for the respective year, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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Independent audit report (continued)

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INDEPENDENT AUDITOR'S REPORT

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up

Independent audit report (continued)

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INDEPENDENT AUDITOR'S REPORT

to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Registered Auditor No. 289565

28 September 2017

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