



Rupanyup/Minyip
Finance Group Limited

ABN 79 083 123 924

**ANNUAL
REPORT
2013**

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Chairman's report

For year ending 30 June 2013

On behalf of the Board of the Rupanyup/Minyip Finance Group Limited it is with much pleasure that we present this, our 15th Annual Report.

This year has marked two very significant milestones for our **Community Bank**[®] network, celebrating its 15th anniversary of operation while also reaching \$100 million in community contributions nationwide, with \$800,000 for our local Rupanyup and Minyip communities. Both achievements could not have been accomplished without your ongoing support as customers.

As with past years we are able to report a healthy profit of \$96,784 and still contribute income from Bendigo Bank Telco to our local kindergartens. This figure is down on previous year due to the tightening of margins in the money market and increased funding costs following changes in the economic environment triggered by the global financial crisis.

Funding for all banks is expensive and likely to remain so, there is strong competition for retail deposits, credit growth is sluggish at best and subsequently, the profitability of banks remains under pressure.

Not surprisingly, these factors continue to place pressure on the 50/50 margin share agreement between Bendigo and Adelaide Bank Limited and its **Community Bank**[®] partners. As a result some **Community Bank**[®] companies are receiving much more than 50 per cent, Bendigo and Adelaide Bank Limited much less.

Bendigo and Adelaide Bank Limited has conducted a staged approach to restoring this balance, ensuring that the **Community Bank**[®] model produced reasonable shareholder returns, as any business must. Bendigo and Adelaide Bank Limited will continue to review this remuneration model with its partners to ensure it is fair and equitable for all parties and is as resilient as possible to the fast changing economic environment.

At the forefront of our support we have continued with the scholarships to our young wishing to further their education. We have funded last year's students with their second year scholarships as well as granted two new scholarships this.

Along with the scholarships, we have also allocated \$61,789 to 12 other projects in the Rupanyup, Minyip and district communities for the 2012/13 year. Projects included the refurbishment of the Rupanyup Grand Stand and heating and cooling was provided to the Dunmunkle Kindergym.

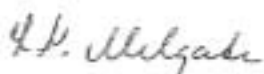
As a Board and community we would like to take this opportunity to thank all the staff members, past and present for their commitment and efforts in maintaining to banking services to our towns. In particular, thanks must go to Meagan Edwards for her tireless job as Branch Manager and for her continued support toward the Board and the business. The 2012/13 year saw an upgrade to the Rupanyup **Community Bank**[®] Branch which has significantly improved both working conditions for our staff and the appearance for our customers.

As Chairman I would like to thank all the Directors for their support over the last 12 months. I must also thank Kristy Davidson for the job she has done as Secretary over the last 12 months.

We must also thank Knights Accounting for their time in doing our financial record keeping and accounting for the Rupanyup Minyip Finance Group Limited.

In closing, thanks must go to our customers who continue to support and help grow our business which in turn supports your communities.

Regards



Lloyd Milgate
Chairman

Manager's report

For year ending 30 June 2013

Welcome to the 15th annual report for Rupanyup/Minyip Finance Group, and my fourth report as Manager of the branches.

The 2013 financial year has proven to be another successful year during times where margins are continuing to decline and have seen the cash rate reduce to record fifty year low.

The branch has now been operating for 15 years and we continue to see a steady growth in business. The past financial year showed a growth in total business of \$6.8 million in new loans and deposits. Our total business footings as at 30 June 2013 were \$72.445 million.

To date, Rupanyup/Minyip **Community Bank**[®] Branch have contributed more than \$800,000 in community grants. While this is a fantastic effort, I cannot stress enough that this is merely a hint of our potential, and that the more business we get, the more funds we can give back to our local communities. In addition to the funds contributed we also rolled out the Piggy School banking program at both the Rupanyup and Minyip primary schools to increase their knowledge about money, banking and saving.

Rupanyup/Minyip **Community Bank**[®] Branch staff can assist you with all of your banking and lending needs and we also have specialists in business banking, agribusiness banking and financial planning, so there is no need to travel.

During the past 12 months, Elissa Chalmers went on maternity leave. She was relieved by Natalie Krause then Kirstin MacMillan.

I would like to thank my staff, Dianne Walsh, Hannah Ellen, Rae Faulkner, Kellie Oxbrow and Sheri Garton for their hard work and professionalism during this year. Dianne Walsh is fully capable for your entire consumer lending needs whilst Hannah Ellen can assist with all of your insurance needs being available five days per week. Our staff are the face of our **Community Bank**[®] branch and their dedication ensures that Rupanyup/Minyip **Community Bank**[®] Branch has, and will continue to be a success.

I would like to also thank Chairman; Lloyd Milgate and the Board of Directors for their wonderful support and commitment they provide me and my team of staff.

Australia's first **Community Bank**[®] branch, Rupanyup/Minyip lead the way to a new banking model in 1998. Fifteen years later and over 298 communities are now enjoying the \$100 million returned in contributions Australia wide.

In closing, I would like to encourage our existing clients, shareholders and supporters to become advocates for our **Community Bank**[®] branch. The staff and I would certainly appreciate any business referred from family, friends and business acquaintances. The more business held with our branch means the greater the capacity we have to support local projects and programs.



Meagan Edwards
Branch Manager

Scholarships

Community Bank® branch scholarships one for the books

Lauren Hotker and Brayden Newall's tertiary educations are one step closer thanks to the Rupanyup/Minyip **Community Bank**® Branch 2013 Scholarships.

The 2013 Scholarships were offered by the Rupanyup/Minyip **Community Bank**® Branch and was available to first-time tertiary students who faced challenges in furthering their studies which may have meant a university degree was out of their reach.

This being the second time the Rupanyup/Minyip **Community Bank**® Branch scholarships have been offered, with Sam Carter and Sean Walsh given financial support to study at university in 2012 which has also been extended for 2013.

Students in rural communities have big dreams for their careers, but for some of them, not having financial support may mean that this dream may not happen. A community greatly benefits from a young person's ability to further their education and become lawyers, scientists, IT and health professionals, and perhaps one day return to their home town to live and work.

This scholarship program has so far allowed four local students to have their chance to follow their dreams and is another way our **Community Bank**® company is committed to supporting our youth and building stronger communities.

All of these students are very deserving of the scholarships which could not have been made possible without the support and commitment from our customers.

The Rupanyup/Minyip **Community Bank**® Branch Scholarships are part of the Bendigo and Adelaide Bank Scholarship Program, which is one of the largest privately funded scholarship programs in Australia, with more than 100 scholarships offered in 2013.



The Piggy Program



Whether it's for the latest craze in computer games, a new bike or just a rainy day, we all know that it's never too early to start saving.

That's why, for the month of May, **Community Bank**[®] branch staff member Hannah visited the Minyip Primary School to deliver the Piggy School Banking Program which consisted of teaching the students a little bit more about saving, budgeting and banking.

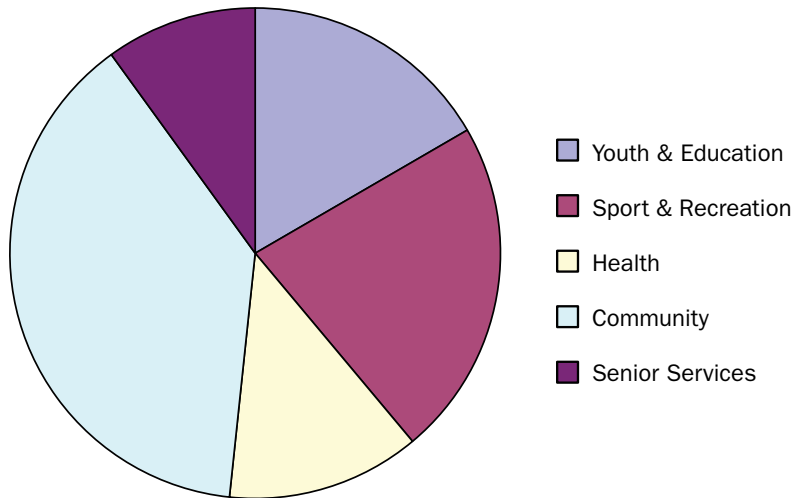
Hannah participated in different activities with the students each week explaining how banking started, the importance of saving and the process of depositing and withdrawing. On the third week, the students even made pretend deposits and withdrawals.

Throughout the program the students had a lot of fun and finished with a free BBQ lunch and sporting activities.

The program was also delivered to the Rupanyup Primary School at the end of 2012.

Community contributions

Rupanyup & Minyip community contributions



Community		
Banyena Community Hall	Made in Minyip - Give it a go festival	Friends of the brownie Hall
Boolite Memorial Hall	Rupanyup Major Events	Rupanyup Lions Club
Rupanyup SES	Rupanyup Marnoo Uniting Church	Rupanyup recreation Reserve
Rupanyup RSL	Rupanyup Welcome Matt Committee	Rupanyup Hall
Rupanyup Fire Brigade	Rupanyup & District Consultative Committee	Lubeck Fire Brigade
Minyip Fire Brigade	Rupanyup Community Centre	Minyip Agricultural & Pastoral Society
Minyip Hall	Minyip Lions Club	Minyip Community Enterprise Centre
Minyip Historical Society	Minyip Community Recreation Facility	Minyip Progress Association
Minyip Recreation Reserve		

Youth & Education
Dunmunkle Play gym
Dunmunkle Youth Group
Murtoa College
Our Ladies Help of Christians School
Rupanyup/Minyip Community Bank ® Scholarship
Minyip Pre School
Minyip Primary School
Rupanyup Kinder
Rupanyup Pre-School
Rupanyup Primary School
Rupanyup Youth Hall

Health
Dunmunkle Health Services
Senior Services
Dunmunkle Health Services Nursing Home
Dunmunkle Lodge
Nursing Home Support Group
Rupanyup Probus
Rupanyup Senior Citizens
Stonehaven Ladies Auxiliary
Sweetman Court Retirement Village
Minyip Men's Shed

Sport & Recreation
M/M Football & Netball Club
Minyip Bowls Club
Minyip Cricket Club
Minyip District Field & Game
Minyip Golf Club
Minyip Swimming Pool
Minyip Tennis Club
Rupanyup Football/Netball Club
Rupanyup Bowls Club
Rupanyup Cricket Club
Rupanyup Dance Club
Rupanyup Golf Club
Rupanyup Guides
Rupanyup Swimming Pool
Rupanyup Tennis Club

Directors' report

For the financial year ended 30 June 2013

Your Directors submit their report on the entity for the financial year ended 30 June 2013.

Directors

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

Llyod Milgate - Chairman
David Matthews - Director
Jenny Walsh Director
Gary Bourke - Director
Maxwell Hood - Director
Natalie Robbins - Director
Peter Niewand - Director
Samantha Matthews - Director
Michelle Clark - Director
Anthony Chapman - Director

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

Company Secretary

The following person held the position of entity Secretary at the end of the financial year: Gary Bourke.

Principal activities

The principal activity of the entity during the financial year was: **Community Bank®** service provision.

No significant changes in the nature of the entity's activity occurred during the financial year.

Operating results

Operations have continued to perform in line with expectations. The Profit of the company

- for the year ended 30th June 2013 was \$94,592
- for the year ended 30th June 2012 was \$190,622.

Dividends paid or recommended

No dividends are payable on the basis of being a not for profit community purpose entity and as such is prohibited from distributing any income or profits to its members in any form: cash property or otherwise.

Review of operations

A review of operations of the entity during the financial year indicated that changes in trading conditions resulted in decrease in revenue by 8%. The Employment expenses increased 25% resulting in an overall increase in expenses and therefore results in an overall decrease in net profit.

Significant changes in state of affairs

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

Directors' report (continued)

Significant events after balance date

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

Future developments

The entity expects to maintain the present status and level of operations and hence there are no likely developments in the entity's operations.

Environmental issues

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

Options

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

Information on Directors

David Matthews	–	Director, 15 Years
Qualifications	–	Diploma Business (International Trade) Graduate of the Australian Institute of Company Directors (GAICD)
Experience	–	Pulse Australia - Director Australian Field Crops Association - Director Co - Chair Community Bank [®] Strategic Advisory Board Bendigo and Adelaide Bank Limited - Non Executive Director
Gary Bourke	–	Director 12 years
Qualifications	–	Company Secretary - 11 Years Bachelor Economics & Politics, Diploma of Education Graduate Diploma of Career Education
Jenny Walsh	–	Director - 3 Years
Qualifications	–	
Experience	–	
Llyod Milgate - Chairman	–	Director 15 Years
Qualifications	–	Dip. Farm Management
Experience	–	Board Member Dunmunkle Health Services Board Member of Dunmunkle Lodge
Maxwell Hood	–	Director - 14 Years
Qualifications	–	
Experience	–	
Natalie Robbins	–	Director - 3 Years
Qualifications	–	
Experience	–	

Directors' report (continued)

Information on Directors (continued)

Peter Niewand	–	Director 10 Years
Qualifications	–	
Experience	–	Director Rupanyup North Co-Operative, Lions President
Samantha Matthews	–	Director 12 Years
Qualifications	–	Bachelor of Business (Acc), GAICD, FIPA
Experience	–	
Michelle Clark	–	Director - 2 Years
Qualifications	–	
Experience	–	
Anthony Chapman	–	Director -2 Years
Qualifications	–	Bachelor of Business (FBM)
Experience	–	

Meetings of Directors

During the financial year, 10 meetings of Directors were held. Attendances by each Director were as follows:

Director	Directors' meetings	
	Number eligible to attend	Number attended
Lloyd Milgate - Chairman	10	10
David Matthews - Director	10	4
Jenny Walsh Director	10	7
Gary Bourke - Director	10	8
Maxwell Hood - Director	10	7
Natalie Robbins - Director	10	10
Peter Niewand - Director	10	7
Samantha Matthews - Director	10	5
Michelle Clark - Director	10	10
Anthony Chapman - Director	10	8

Indemnification and insurance of Directors and Officers

The company had indemnified all Directors and the Manager in respect of liabilities to other persons (other than the company or related body corporate) that may arise from their position as Directors or Managers of the company except where the liability arises out of conduct involving the lack of good faith.

Disclosure of the nature of the liability and the amount of the premium is prohibited by the confidentiality clause of the contract of insurance. The company has not provided any insurance for an Auditor for the company or a related body corporate.

Directors' report (continued)

Directors' benefits

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

Proceedings on behalf of the entity

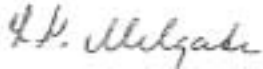
No person has applied for leave of Court to bring proceedings on behalf of the entity or intervene in any proceedings to which the entity is a party for the purpose of taking responsibility on behalf of the entity for all or any part of those proceedings.

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

Auditor's independence declaration

The lead Auditor's independence declaration for the year ended 30 June 2013 has been received.

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



Lloyd Milgate
Director

Dated 13 September 2013

Auditor's independence declaration



Auditor's Independence Declaration Under S307C of the *Corporations Act 2001* to the Directors of Rupanyup Minyip Finance Group Ltd

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2013 there have been no contraventions of:

- i. the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. any applicable code of professional conduct in relation to the audit.

CH

CROWE HORWATH WEST VIC

A handwritten signature in black ink that reads "John Findlay".

John Findlay
Partner

21 Armstrong Street North, Ballarat, VIC, 3350

Date: 13th September 2013

Crowe Horwath West Vic is a member of Crowe Horwath International, a Swiss Verein. Each member of Crowe Horwath is a separate and independent legal entity. Liability limited by a scheme approved under Professional Standards Legislation other than for the acts or omission of financial services licensees.

Financial statements

Statement of comprehensive income for the year ended 30 June 2013

	Note	2013 \$	2012 \$
Revenues from ordinary activities	2	581,678	629,074
Employee expenses		(250,996)	(199,806)
Depreciation and amortisation expenses	3	(16,957)	(16,502)
Other expenses from ordinary activities		(219,133)	(222,144)
Profit (loss) from ordinary activities		94,592	190,622
Net profit (loss)		94,592	190,622
Other comprehensive income:			
Revaluation increments/ decrements		-	-
Total comprehensive income for the year		94,592	190,622

Financial statements (continued)

Statement of financial position for the year ended 30 June 2013

	Note	2013 \$	2012 \$
Current assets			
Cash and cash equivalents	4	511,468	554,416
Trade and other receivables	5	49,481	54,416
Total current assets		560,949	608,832
Non-current assets			
Property, plant and equipment	6	286,812	214,733
Intangible assets	7	0	1,968
Total non-current assets		286,812	216,701
Total assets		847,761	825,533
Current liabilities			
Trade and other payables	8	25,440	30,110
Provisions	9	5,468	6,874
Total current liabilities		30,908	36,984
Non-current liabilities			
Provisions	9	12,763	11,012
Total non-current liabilities		12,763	11,012
Total liabilities		43,671	47,996
Net assets		804,090	777,537
Equity			
Retained profits		804,090	777,537
Total equity		804,090	777,537

Financial statements (continued)

Statement of cash flows for the year ended 30 June 2013

	Note	2013 \$	2012 \$
Cash flow from operating activities			
Cash receipts in the course of operations		568,126	615,158
Cash payments in the course of operations		(469,917)	(454,770)
Interest received		17,645	16,227
Interest and other costs of finance paid			(2)
Net cash flows from / (used in) operating activities	13	115,854	176,613
Cash flow from investing activities			
Proceeds from sale of property, plant and equipment		11,818	-
Proceeds from sale of investments			
Payment for property, plant and equipment		(102,581)	(4,383)
Net cash flows from / (used in) investing activities		(90,763)	(4,383)
Cash flow from financing activities			
Community project payments		(68,039)	(73,043)
Net cash flows from / (used in) financing activities		(68,039)	(73,043)
Net increase / (decrease) in cash held		(42,948)	99,187
Cash at beginning of year		554,416	455,229
Cash at end of year	4	511,468	554,416

Financial statements (continued)

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

	Retained Earnings \$	Total \$
Balance at 1 July 2011	659,958	659,958
Profit attributable to members	190,622	190,622
Community funds distribution	(73,043)	(73,043)
Balance at 30 June 2012	777,537	777,537
Balance at 1 July 2012	777,537	777,537
Profit attributable to members	94,592	94,592
Community funds distribution	(68,039)	(68,039)
Balance at 30 June 2013	804,090	804,090

Financial statements (continued)

Income statement for the year ended 30 June 2013

	2013	2012
	\$	\$
Income		
Gross receipts	514,033	562,430
Market development incentive	50,000	50,417
Membership fees		-
Interest received	17,645	16,227
Sundry income	-	-
	581,678	629,074
Expenditure		
Accountancy fees	29,415	25,494
Amortisation - franchise fee	1,968	2,000
Advertising	34,789	32,494
Administration fees		16,441
Auditor's remuneration	3,000	3,500
Bad debts	31	132
Bank charges	869	272
Birthday expense		-
Cleaning / rubbish removal	374	338
Cash delivery & management fees	5,551	4,658
Consultancy fees		
Depreciation	14,989	14,502
Filing fees	112	328
Freight & cartage	16,733	16,939
Fringe benefits tax	2,839	345
Insurance	16,194	22,474
Interest		2
Legal costs		-
Leasing charges	14,422	14,995
Light & power	5,512	3,217
Loss on sale of non-current assets	3,696	
IT running & support costs	26,312	28,461
Meeting expense	1,158	2,992

Financial statements (continued)

Income statement for the year ended 30 June 2013 (continued)

	2013	2012
	\$	\$
Expenditure (continued)		
Motor vehicle expenses	8,402	7,111
Postage	1,144	585
Printing & stationery	9,047	8,803
Rates & taxes	2,548	2,463
Repairs & maintenance	7,088	5,398
Salaries & wages	228,136	185,428
Security costs	2,600	3,659
Search fees & credit checks	941	1,486
Staff amenities	15,876	11,228
Subscriptions	649	-
Sundry expenses	464	-69
Superannuation	19,737	13,208
Telephone	9,297	7,363
Travel, accom & conferences	2,909	1,380
Water		-
Workcover	285	825
	487,087	438,452
Operating profit before income tax	94,592	190,622

Notes to the financial statements

For year ended 30 June 2013

Note 1 - Statement of significant accounting policies

The financial statements were authorised for issue on 13th September 2013 by the Directors of the company

Basis of preparation

Rupanyup Minyip Finance Group Ltd has elected to early adopt the pronouncements AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements to the annual reporting period beginning 1 July 2012.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board and the Corporations Act 2001. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified where applicable and do not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on fair value which is the amount in which an asset could be exchanged between knowledgeable, willing participants in an arm's length transaction.

Unless otherwise stated the accounting policies have been consistently applied. The financial statements are for the entity known as Rupanyup Minyip Finance Group Ltd a company, as an individual entity. The company is limited by guarantee and has its domicile in Australia.

The following is a summary of the material accounting policies used by Rupanyup Minyip Finance Group Ltd in the preparation of the financial statements.

(a) Income tax

The company is an income tax exempt company. There are two requirements for a company to be accepted as income exempt. Firstly, it should be a non-profit organisation. Secondly, the company must be established for one of the exempt purposes, specified in the income tax legislation. Both requirements are satisfied as outlined below:

A non-profit organisation generally means that the company:-

- is prohibited from distributing any income or profits to its members in any form: cash property or otherwise; and
- on winding up, no money or property will be paid, given or shared amongst the members.

These two conditions are clearly stated in the Rupanyup / Minyip Finance Group Ltd constitution.

The exempt purpose for which the company has been established is for community service purposes. Clause 1.2.3.21 of the Constitution outlines one of the objects of the company: To pursue community service purposes only and to apply its income in promoting those purposes. On the basis of current ATO case law and Income Tax Rulings and Determinations the company assesses itself as fulfilling the exemption requirements set out therein.

Notes to the financial statements (continued)

Note 1 - Statement of significant accounting policies (continued)

Basis of preparation (continued)

(b) Property, plant & equipment

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

Plant and equipment

The carrying amount of property, plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount of those assets. The recoverable amount is assessed on the expected net cash flows which will be received from the assets employment and eventual 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 Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the assets useful life to the group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. Depreciation is recognised in the statement of comprehensive income.

The depreciation rates used for each class of assets are:

Class of fixed assets	Depreciation rate
Buildings	2%
Plant & Equipment	15 - 40%
Motor Vehicles	20 - 25%
Furniture & Fittings	15 - 30%

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset carrying amount is written down immediately to its recoverable amount if the assets carrying amount is greater than its estimated recoverable amount.

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

(c) Impairment of assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the assets fair value less costs to sell and value in use to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill of intangible assets and indefinite lives.

Notes to the financial statements (continued)

Note 1 - Statement of significant accounting policies (continued)

Basis of preparation (continued)

(d) Employee benefits

Provision is made for the liability due to employee benefits arising from services rendered by employees but unpaid as at balance date. Employee benefits expected to be settled within one year and benefits arising from wages & salaries, long service leave and annual leave which will be paid after one year have been measured at the amount expected to be paid when the liability falls due, plus any associated on-costs. Other benefits payable later than one year are measured at the present value of the estimated future cash outflows for those benefits. In determining the liability, consideration is given to employee wage increased and the probability that the employee may not satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows. Contributions made to employee superannuation funds are charged as expenses when incurred.

(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 benefit will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(f) Cash

Cash and cash equivalents include cash on hand, deposits held as-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 short-term borrowings in current liabilities in the statement of financial position.

(g) Revenue

Income from providing a service is recognised when the customer receives the service

(h) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(i) 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 Australian 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. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables and payables in the statement of financial position.

(j) Comparative figures

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

Notes to the financial statements (continued)

	2013 \$	2012 \$
Note 2 - Revenue from ordinary activities		
Operating revenue		
- Gross receipts	514,033	562,430
- Market development	50,000	50,417
- Expense reimbursement		-
- Membership fees		-
	564,033	612,847
Non-operating revenue		
- Interest received	17,645	16,227
- Rental income received		-
- Sundry income		-
	17,645	16,227
Total revenue from ordinary activities	581,678	629,074

Note 3 - Operating Profit

Operating profit before income tax has been determined after:

Crediting as income:

Interest received	17,645	16,227
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Charging as expenses:

Bad and doubtful debts	30	132
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Depreciation of non-current assets:

- Plant and equipment	14,989	14,502
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Amortisation

- Franchise fee and IT license	1,968	2,000
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Remuneration of the Auditors:

- audit	3,000	3,500
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Net loss on disposal of non-current assets:

- Property, plant & equipment	3,696	-
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Notes to the financial statements (continued)

	2013 \$	2012 \$
Note 4 - Cash & cash equivalents		
Current		
Cash at bank	79,803	126,792
Sandhurst trustees	430,902	427,372
Term deposits		-
Eftpos account	763	252
	511,468	554,416

Note 5 - Trade & other receivables

Current		
Trade debtors	49,481	53,574
FBT refundable	-	842
	49,481	54,416

Note 6 - Property, plant and equipment

Fixtures & fittings

At cost	92,357	92,357
Less: accumulated depreciation	(73,192)	(69,066)
	19,165	23,291

Plant and equipment

At cost	65,431	60,822
Less: accumulated depreciation	(36,708)	(40,060)
	28,723	20,762

Land

Freehold land - at cost	5,200	5,200
	5,200	5,200

Buildings

At cost	254,408	182,514
Less: accumulated depreciation	(20,684)	(17,034)
	233,724	165,480
	286,812	214,733

Notes to the financial statements (continued)

Note 6 - Property, plant and equipment (continued)

Movement in carrying amounts

Movement in the carrying amount for each class of property, plant and equipment between the beginning and the end of the current financial year.

	Land \$	Buildings \$	Fixtures & fittings \$	Plant & equipment \$	Total \$
2012					
Balance at beginning of year	5200	169,131	26296	24,225	224,852
Additions			1928	2,455	4,383
Disposals					-
Loss on disposal					-
Depreciation expense		(3,651)	(4,932)	(5,919)	(14,502)
Carrying amount at end of year	5,200	165,480	23,292	20,761	214,733

	Land \$	Buildings \$	Fixtures & fittings \$	Plant & equipment \$	Total \$
2013					
Balance at beginning of year	5,200	165,480	23,292	20,761	214,733
Additions		71,894		30,687	102,581
Disposals				(11,818)	(11,818)
Loss on disposal				(3,695)	(3,695)
Depreciation expense		(3,650)	(4,127)	(7,212)	(14,989)
Carrying amount at end of year	5,200	233,724	19,165	28,723	286,812

	2013 \$	2012 \$
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Note 7 - Intangible assets

Franchise fee and IT licence	41,000	41,000
Less: accumulated amortisation	(41,000)	(39,032)
	-	1,968
Research and development expenditure	15,000	15,000
Less: accumulated amortisation	(15,000)	(15,000)
	-	-
Borrowing Costs - chattel mortgage	-	-
	-	1,968

Notes to the financial statements (continued)

	2013 \$	2012 \$
Note 8 - Trade and other payables		
Current		
Unsecured		
Trade creditors	13,441	16,133
GST & FBT Payable	11,999	13,977
	25,440	30,110

Note 9 - Provisions

Current		
Employee entitlements	5,468	6,874
	5,468	6,874
Non current		
Employee entitlements	12,763	11,012
	12,763	11,012

Note 10 - Superannuation commitments

The company has registered as an employer with the fund nominated by each employee. Contributions to the funds are based on percentage of employee gross remuneration and are made by the employer or by the employee and the employer. Contributions to the plans will not exceed the permitted levels prescribed by income tax legislation from time to time.

Note 11 - Remuneration of Auditor

Amounts received, or due and receivable by the Auditor of the company for:

Auditing the accounts	3,000	3,500
Other services	-	-
	3,000	3,500

Note 12 - Related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated:

Notes to the financial statements (continued)

	2013 \$	2012 \$
Note 13 - Cashflow information		
Reconciliation of cash flow from operations with profit from ordinary activities after income tax		
Profit (loss) from ordinary activities	94,592	190,622
Non-cash flows in profit from ordinary activities		
Amortisation	1,968	2,000
Depreciation	14,989	14,502
Net loss on disposal of plant and equipment	3,696	
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
Decrease/(increase) in receivables	4,093	2,311
Decrease/(increase) in other assets	842	(842)
Increase/(decrease) in payables	(4,670)	(23,620)
Increase/(decrease) in provisions	344	(8,360)
Cash flows from operations	115,854	176,613

Note 14 - Members' guarantees

The company is limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the company. At 30 June 2013, the number of members was 167.

Note 15 - Segment reporting

The economic entity operates as community branches of the Bendigo and Adelaide Bank Limited in the Rupanyup and Minyip districts. There have been no events subsequent to reporting date that would materially effect the financial statements at the reporting date.

Note 16 - Economic dependency

The normal trading activities of the company (which undertakes the branch activities of the Bendigo Bank in Rupanyup and Minyip districts) rely on the franchise contracts with the Bendigo and Adelaide Bank Limited Group.

Notes to the financial statements (continued)

Note 17 - Financial risk management

The company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term and long term investments, accounts receivable and payable, and leases. The carrying amounts for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	2013	2012
	\$	\$
Financial assets		
Cash and cash equivalents	511,468	554,416
Loans and receivables	49,481	54,416
Total financial assets	560,949	608,832
Financial liabilities		
Financial liabilities at amortised cost		
- Trade and other payables	25,440	30,110
- Borrowings	-	-
Total financial liabilities	25,440	30,110

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 and forming part of the financial statements.

Note 18 - Company details

The registered office of the company is:

Rupanyup / Minyip Finance Group Ltd
16 Cromie Street,
Rupanyup VIC 3388

Directors' declaration

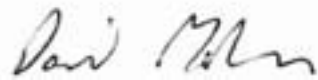
The Directors of the company declare that:

1. The financial statements and notes, are in accordance with the Corporations Act 2001:
 - a. comply with Australian Accounting Standards; and
 - b. give a true and fair view of the financial position as at 30 June 2013 and of the performance for the year ended on that date of the entity.
2. In the Directors' opinion there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

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



Anthony Chapman
Director



David Matthews
Director

Dated: 13 September 2013

Independent audit report



Independent Auditor's Report to the Members of Rupanyup Minyip Finance Group Ltd

Report on the financial report

We have audited the accompanying financial report of Rupanyup Minyip Finance Group Ltd (the company), which comprises the statement of financial position as at 30 June 2013, the statement of comprehensive income, statements of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements 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 is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

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

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Independent audit report (continued)



Opinion

In our opinion, the financial report of Rupanyup Minyip Finance Group Ltd is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the company's financial position as at 30 June 2013 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

CH

CROWE HORWATH WEST VIC

A handwritten signature in black ink that reads "John Findlay".

John Findlay
Partner

21 Armstrong Street North, Ballarat, VIC, 3350

Dated this 13th September 2013



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32 Cromie Street, Rupanyup VIC 3388
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Minyip **Community Bank**® Branch
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