



Annual Report 2016

Rupanyup/Minyip
Finance Group Limited

ABN 79 083 123 924

Rupanyup/Minyip **Community Bank**[®] Branch

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Chairman's report

For year ending 30 June 2016

I was looking for the best way to address the last year and come up with words to accurately describe the last 12 months for Rupanyup/Minyip Finance Group Limited (RMFGL). There may be no perfect words, but looking back through that time, I believe that the last 12 months epitomise what is held dear about our great communities.

When we are challenged, over and over again in history our proud towns have risen to the challenges and come out the other side. This year has been no different on many levels. The second dry year in a row, low interest rates and the change of hours last year have all set challenges ahead of us as a business and as farming communities.

The positive start to the year on the weather front has certainly eased financial fears of a third poor season at this stage, the great staff have adapted to the new structure and have worked towards a great result for the year, and the change of hours has settled and the great community support has been maintained to allow for the new opening hours to put in place a new branch structure where the business has produced a positive financial result.

The much higher than budgeted financial performance has directly been attributed to the restructure of the branches that was started 18 months ago. Whilst it has been a big change behind the scenes, we hope that customers have only seen the slight change in the Friday as the physical change over that time, leading to a structure that can more appropriately service the physical transactions.

I must thank the great Board for their work to maintain the business and guide it through the constantly changing landscape of the finance industry and their support helping myself as Chairman. I would also like to thank Natalie Krause as Secretary to the Board, who keep us in line and helps the Board to run smoothly with meetings and the general administration of RMFGL.

Lastly I would like to thank the community for the ongoing support, and truly believe that even after 18 years, it feels like we are just starting the journey together to keep building our Rupanyup and Minyip **Community Bank**[®] branches and in turn our own communities.



Anthony Chapman
Chairman

Manager's report

For year ending 30 June 2016

It is hard to believe this is our 18th year, and it's true, time does fly when you're having fun. It is pleasing to acknowledge that our enthusiasm has not waned along with our commitment to our community.

Your local **Community Bank**[®] branches are well recognised for supporting our community, providing access to funding in big and small ways, and making a difference. This is only possible because local people choose to do their banking with us. We are well on the way to achieving \$1 million in grants and sponsorship's given back to the communities. This has been very rewarding and satisfying, as a local community business generating profits through very tough times, then returning these profits back into community activities and groups to help them accomplish their ambitions. Imagine where would our communities be without that funding? We look forward to continue supporting our community and help to keep it vibrant and strong.

This year we have had some staff changes in welcoming Clay to the team while Kirstin is on leave after welcoming her baby girl. We have also said a sad farewell to Sheri Garton who has decided to move on from banking life. We wish Sheri all the best for her new career. Although small in team, we are big in enthusiasm and would welcome any opportunities to help our customers achieve their life goals.

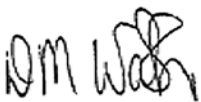
The challengers are certainly ahead for myself and the team. These are as a result of our current climate of exceptionally low interest rates and squeezed profit margins, but our staff and business are firmly positioned to continue to support our customers and their communities.

So, it's still exciting times for our business going forward. We hope the journey ahead will provide some favourable seasons and in turn provide our community with increased trade and capital.

I would sincerely like to thank Anthony and the Board of Directors for their enthusiasm and support during the year.

Our staff continue to be the backbone of our business with their dedication and commitment to a high level of personal service not seen at other financial institutions. Thanks must go to Rae, Kellie, Clay and Kirstin.

I would also like to thank you, the community for your continued support over the past financial year and look forward to building our business and in turn continue to build a better community for us all to live.



Dianne Walsh
Customer Relationship Manager

Sponsorship

Ladies Agribusiness Luncheon.



On 4 May 2015 we held a Ladies Agribusiness luncheon at the Minyip Community Centre.

The event attracted guests from in and around the local district. Guest presenter, Gina Morgan, Financial Markets Business Development Manager, provided an in-depth insight into economics. Local identity, Anne Durie, spoke about living in a small town and the obstacles that need to be overcome to promote the community. The day concluded with a two course lunch, neck massages and a pampering session. The positive

response from the community members who attended saw them come into the branch to say thank you. This is just one of the ways that we look to support the community that supports us.

Murtoa Girls Night In.

A Girls' Night In was held in October 2015, organised by Melinda Keel from Murtoa. Over 100 ladies enjoyed a fun filled night and many went home with a prize or two from the monster raffle.

A big thank you to the Rupanyup/Minyip **Community Bank**® Branch for donating prizes of umbrellas and drinking bottles for the second year in a row.

Guest speaker for the night was Raechel Littore who herself has battled Hodgkin's Lymphoma. Raechel spoke about her journey and her involvement in 'Raechel's Wish' campaign fundraising for the new Wimmera Cancer Centre in Horsham.



So far this year Murtoa's Girls Night In has raised \$4,200 which will be donated to 'Raechel's Wish'.

Many thanks to the Rupanyup/Minyip **Community Bank**® Branch for their kind donation.

Community projects

Minyip Recreation Reserve.

The Minyip Recreation reserve wishes to thank the Rupanyup Minyip Finance Group Limited for their initial foresight into providing seed funding of \$20,000. This then enabled our committee to leverage funding from the State Governments with Country Football and netball Grant of \$100,000. The Minyip Recreation Reserve also contributed approximately \$30,000 plus works-in-kind towards the project.

There were several improvements made. These included a complete renewal of the Home and Visiting team's football showers and toilets, new floor coverings in the football change rooms, construction of a female shower and toilet facility, construction of a disabled access to the building, netball court and run-off area re-sheeted/asphalted and a new netball court line marking with the netball rings height increased to allow for extra surface.

The works that have been completed have rejuvenated the building and surrounding areas and have been used by not just the Football and Netball clubs, but by the wider community. We are grateful to the Rupanyup Minyip Finance Group Limited for their contribution.



Minyip and District Field and Game.

The Minyip and District Field and Game would like to very much thank the Rupanyup/Minyip Finance Group Limited for their support and financial support in obtaining a 2 - 1 Shooting Sports Facilities Program Grant.

Your \$14,400 has helped us to secure \$44,800 from the State Government and an overall project cost of \$67,502. Delays with the State Election and a change in Government have meant that that this project has dragged on over the past two years but with a successful result it has been a worthwhile result. Last July we had to update and resubmit our application and we were able to increase the amount requested to meet current requirements so we increased it from \$34,367 to \$44,800. The extra amount meant we could build a shed over two of our containers. We have finished the shed, purchased two containers and nine traps. We still have two more traps to purchase and this will complete this grant. Minyip Field and Game are very great full for the ongoing support from the Finance Group as this is the third grant made to the club with the pool fence, the shade sail and now this State Grant.



Community projects (continued)

Dunmunkle CFA Group.



Dunmunkle CFA Group Field Command Vehicle - partnership in community service.

The Dunmunkle CFA Group (comprising CFA brigades from Rupanyup, Minyip, Murtoa, Lubeck and Coromby) took ownership of a new Field Command Vehicle (FCV) in February 2016.

This FCV, a Ford Ranger Mk11 Dual Cab 4x4, was purchased with funding support from the Dunmunkle Group, each of the member Brigades, the Victorian Government via the Victorian Emergency Services Equipment Program (VESEP) and a generous project grant from the Rupanyup/Minyip **Community Bank**[®] branches.

The initial seeding fund from the **Community Bank**[®] branches provided the impetus to gain further financial and logistic support. The partnership of the CFA brigades, District 17 and State CFA, the Victorian Government (VESEP) and the Rupanyup Minyip **Community Bank**[®] branches proved successful and culminated in the new vehicle.

The FCV, fully operationally with emergency lights, sirens and radios (CFA and UHF) is primarily designed to be a command and control vehicle in emergency situations, in particular fires both local and district. It is also designed to be a Strike Team Vehicle for major fires both in our area and beyond if needed.



As a Dual Cab 4x4 it provides transport for equipment and personnel to fires and emergency situations. It will also be used for transport of volunteers to training and other related events.

The value of this vehicle will be the use it gets over the next few years. The FCV was a welcome addition to the current CFA vehicles in our area.

Minyip Primary School.

Minyip Primary School Artificial Turf Netball Court.

In March 2015 Minyip Primary School's School Council decided that the students of Minyip Primary School deserved a safer and more functional netball court surface. The old asphalt surface has served us well but after two decades of use it had become a hazard. School Council decided to replace the asphalt with artificial turf.

This is a huge project for any school, let alone one of our size with an overall cost of \$40,000. School Council thought that with a lot of fundraising and successful grant applications it was achievable.

With the help of our community, local business and RMFG's grant we were lucky enough to complete this project in 2015 and hosted an official opening on November 20th which showcased a game of netball.

Minyip Primary School Council and Students thank Rupanyup Minyip Finance Group for their grant of \$5,000 in 2015.



Minutes of 2015 AGM

Minutes of the Annual General Meeting of Rupanyup/Minyip Finance Group Limited

Held on Wednesday 28 October 2015, Minyip Recreation Reserve.

Welcome: Anthony Chapman welcomed all in attendance to the Annual General Meeting of Rupanyup Minyip Finance Group Limited (RMFGL).

Attendees: Kirstin Campbell, Marg Lingham, Peter Niewand, Dianne Walsh, Michael Funcke, Ken Milgate, Tanya Clark, Martin Godena, Chris Niewand, Peter Bridgland, Stephanie Funcke, Doug Walters, Bailey Young, David Matthews, David Drum, Tania Drum, Tess Healy, Ash Teasdale, Rae Faulkner, Sheri Garton, Peter Haney, Natalie Robbins, Anthony Chapman, Natalie Krause, Lloyd Milgate, Kendall Beattie, Luke Riley, Stephen Drum, Gavin Young, Adrian Tyler.

Apologies: Jo Bourke, Peter Bellagh, Michelle Clark, Ben & Hannah Argel, Darren & Trudy Tegelhuter, Tim Shaw, Kellie Oxbrow, Max Hood and Kristy Davidson.

Moved that the apologies be accepted.

Moved: Lloyd Milgate Sec: Di Walsh

Minutes of the last Annual General Meeting:

Moved: Peter Niewand Sec: Gary Bourke

Chairman's report:

As per Annual Report.

It has been a big year at RMFGL with changes to the banking hours and staffing structure due to the tight conditions in both the financial and farming sector. These decisions weren't made lightly, but have allowed the branches to continue running seamlessly. A big thank you to the community for accommodating the new branch hours.

Congratulations to the previous community projects. Some have been waiting for extra funding and should be finished this year. The Board has been focusing its funding on the rejuvenation of the retail shops in Rupanyup and the Minyip primary school, artificial turf for the netball/basketball court.

The Chairman thanked Damian Bryan (previous Branch Manager), Calinda Hurley (previous Administration Assistant), and SMA (Samantha Matthews Accounting) and welcomed Natalie Krause as the new Administration Assistant. Also thanked the Board, staff, Leanne Martin, Kendall Beattie and the community for banking with us.

Anthony discussed the roll out of services and discussed the NBN and the issues that we had and that we are trying to make the system better. Over the years since the doors have opened RMFG has contributed over \$800,000 in community contributions, over \$2 million in projects, \$3.2 million in wages, \$17,000 in postage, \$100,000 in fuel/servicing, \$290,000 in professional services (accounting/legal) and \$150,000 invested in staff and Board training and development.

Managers report:

As per Annual Report.

Presented by Dianne Walsh. A big thank you to the local community that has enabled a contribution of more than \$811,000 to local community projects. RMFGL has supported over 60 local organisations ranging from sporting to cultural groups.

The two local branches can assist you with all of your banking and lending needs and we have specialists in business banking, agribusiness banking, financial planning and insurance needs. Dianne reiterated there is no need to travel for your banking needs when we can accommodate you locally.

Dianne thanked staff, Chairman and Board for the past 12 months.

Minutes of 2015 AGM (continued)

Financial report:

As per Annual Report.

As provided by Samantha Matthews from Samantha Matthews Associates. Samantha thanked Megan Turner from SMA for her assistance throughout the year.

Moved that the Financial Reports be accepted.

Moved: Gary Bourke Sec: Rae Faulkner

Election of Directors:

Two Directors retire from office by rotation being David Matthews and Lloyd Milgate. They all offer themselves for re-election. Nominations for the Board as received are as follows:

Max Hood was up for re-election but has resigned after over 10 years; Anthony Chapman thanked Max for the work he contributed.

1. David Matthews
2. Lloyd Milgate

Those nominated were duly elected unopposed

Moved: Adrian Tyler Sec: Natalie Robbins

All in favour.

Appointment of Auditor:

Crow Horwarth elected as Auditors.

Moved: Lloyd Milgate Sec: Dianne Walsh

General business:

- Project recipients:

Doug Walters along with two students, Selena Boyd and Bailey Young were presented a cheque for \$2,500 for their Netball/Basketball project. Selena and Bailey gave a power point presentation on the project. The total cost for the resurfacing was \$43,000 and has allowed them to play other sports such as bat tennis and basketball. They were also pleased that the new surface "doesn't shred your knees when you fall over". Friday 20 November 2015 is the official opening of the court.

Rupanyup Retail Precent was presented a cheque for \$20,000. The cheque was presented to committee member David Matthews. The money will be used to fund the opening of a building in Rupanyup to open more retail shops to the community. The \$20,000 is to get the project to the next level. It is aimed supporting community to the next level, housing and jobs.

Closing / thankyou: Anthony Chapman thanked everyone for coming, and introduced Rural Bank for their presentation to show the community what we can offer. Anthony also invited everyone to stay for a BBQ provided by the Minyip Primary School.

Meeting closed: 6:35pm

Directors' report

For the financial year ended 30 June 2016

The Directors present their report, together with the financial statements, on the company for the year ended 30 June 2016.

Directors

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

Anthony Chapman- Chairman	David Matthews - Director
Gary Bourke - Director	Natalie Robbins - Director
Peter Niewand - Director	Samantha Matthews - Director
Michelle Clark - Director	Lloyd Milgate - Director
Kristy Davidson - 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 since: 30/11/2011.

Samantha Matthews.

Principal activities

The principal activity of the entity during the financial year was: **Community Bank®** branches 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 30 June 2016 was	\$136,024
For the year ended 30 June 2015 was	\$45,940

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 indicates that Operating Revenue decreased by 5.9% to \$509,023 during the 2016 financial year. Total Expenses decreased by 24% to \$387,381 for the same period. The resulting overall increase in Net Profit was 196% to \$136,024, of which \$121,642 was from operations (2015 \$49,550).

Significant changes in state of affairs

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

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.

Directors' report (continued)

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.

Information on Directors

David Matthews

Qualifications

Experience

Director 18 Years

Diploma Business (International Trade)

Graduate of the Australian Institute of Company Directors (GAICD)

Pulse Australia - Director

Australian Field Crops Association - Director (past)

Co-Chair **Community Bank** Strategic Advisory Board

Bendigo & Adelaide Bank - Non Executive Director

Gary Bourke

Qualifications

Director 15 years

Bachelor Economics & Politics, Diploma of Education

Graduate Diploma of Career Education

Lloyd Milgate

Qualifications

Experience

Director 18 Years

Dip. Farm Management

Board Member Dunmunkle Health Services

Board Member of Dunmunkle Lodge

Natalie Robbins

Qualifications

Experience

Director 6 Years

Diploma in Community Services

Peter Niewand

Qualifications

Experience

Director 13 Years

Director Rupanyup North Co-Operative, Lions President

Samantha Matthews

Qualifications

Experience

Director 15 Years

Company Secretary 10 Years

Bachelor of Business (Acc), GAICD, FIPA

Director - GWM Water

Michelle Clark

Qualifications

Experience

Director 5 Years

Anthony Chapman

Qualifications

Experience

Director 5 Years

Bachelor of Business (FBM)

Kristy Davidson

Qualifications

Experience

Director 3 Years

Directors' report (continued)

Meetings of Directors

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

	Directors' meetings	
	Number eligible to attend	Number attended
Anthony Chapman- Chairman	10	10
David Matthews - Director	10	9
Gary Bourke - Director	8	7
Natalie Robbins - Director	10	8
Peter Niewand - Director	10	5
Samantha Matthews - Director	10	10
Michelle Clark - Director	10	6
Lloyd Milgate - Director	10	6
Kristy Davidson - Director	10	6

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 of the company or a related body corporate.

Director's 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.

Auditor's Independence Declaration

The lead Auditor's independence declaration for the year ended 30 June 2016 has been received.

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



Anthony Chapman
Director

Dated this 2 September 2016

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 2016 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.

CROWE HORWATH WEST VIC

A handwritten signature in black ink, appearing to read "M. Thompson".

MARTIN THOMPSON
Partner

Ballarat, Victoria
Dated this 2nd day of September 2016

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 Profit or Loss and Other Comprehensive Income for the year ended 30 June 2016

	Notes	2016 \$	2015 \$
Revenue	2	523,405	555,637
Employee expenses		(180,134)	(159,934)
Depreciation and amortisation expenses	3	(26,424)	(28,968)
Other expenses		(180,823)	(320,795)
Profit (loss) before income tax expense		136,024	45,940
Income tax expense		-	-
Net profit (loss) attributable to members		136,024	45,940

The accompanying notes form part of these financial statements.

Financial statements (continued)

Statement of Financial Position as at 30 June 2016

	Notes	2016 \$	2015 \$
Current assets			
Cash and cash equivalents	4	642,923	582,829
Trade and other receivables	5	45,574	47,025
Total current assets		688,497	629,854
Non-current assets			
Property, plant and equipment	6	259,155	271,837
Intangible assets	7	28,200	41,942
Total non-current assets		287,355	313,779
Total assets		975,852	943,633
Current liabilities			
Trade and other payables	8	15,819	34,483
Employee benefits	9	12,890	10,656
Total current liabilities		28,709	45,139
Non-current liabilities			
Employee benefits	9	4,354	2,729
Total non-current liabilities		4,354	2,729
Total liabilities		33,063	47,868
Net assets		942,789	895,765
Equity			
Retained profits		942,789	895,765
Total equity		942,789	895,765

The accompanying notes form part of these financial statements.

Financial statements (continued)

Statement of Cash Flows for the year ended 30 June 2016

	Notes	2016 \$	2015 \$
Cash flow from operating activities			
Cash receipts in the course of operations		510,474	545,674
Cash payments in the course of operations		(375,762)	(470,418)
Net cash flows from / (used in) operating activities	13	134,712	75,256
Cash flow from investing activities			
Interest and grants received		24,382	14,390
Payments for purchase of intangibles		-	-
Payments for property, plant and equipment		-	(14,485)
Net cash flows from / (used in) investing activities		24,382	(95)
Cash flow from financing activities			
Community project payments		(99,000)	(38,185)
Net cash flows from / (used in) financing activities		(99,000)	(38,185)
Net increase / (decrease) in cash held		60,094	36,976
Cash and cash equivalents at beginning of year		582,829	545,853
Cash and cash equivalents at end of year	4	642,923	582,829

The accompanying notes form part of these financial statements.

Financial statements (continued)

Statement of Changes in Equity for the year ended 30 June 2016

	Retained earnings \$	Total \$
Balance at 1 July 2014	870,010	870,010
Profit attributable to members	45,940	45,940
Community funds distribution	(20,185)	(20,185)
Balance at 30 June 2015	895,765	895,765
Balance at 1 July 2015	895,765	895,765
Profit attributable to members	136,024	136,024
Community funds distribution	(99,000)	(99,000)
Community funds grants	10,000	10,000
Balance at 30 June 2016	942,789	942,789

The accompanying notes form part of these financial statements.

Notes to the financial statements

For year ended 30 June 2016

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. Rupanyup Minyip Finance Group Ltd is a company limited by guarantee.

New, revised or amending accounting standards and interpretations adopted

The company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 1L.

(a) Revenue

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

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

Grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and all the conditions complied with.

(b) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

Notes to the financial statements (continued)

Note 1. Significant accounting policies (continued)

(b) Current and non-current classification (continued)

A liability is classified as current when: it is either expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

(c) Property, plant and equipment

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

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line or diminishing value 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 profit or loss and other comprehensive income.

The depreciation rates used for each class of assets are:

Class of fixed assets	Depreciation rate
Buildings	2%
Plant and equipment	15 - 40%
Motor vehicles	20 - 25%
Furniture and 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.

(d) Intangible assets

Franchise fee and IT licence

Costs associated with franchise fee and IT licence are deferred and amortised on a straight line basis over the period of their expected benefit, being their finite life of 5 years.

(e) 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.

Notes to the financial statements (continued)

Note 1. Significant accounting policies (continued)

(f) Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(g) Cash and cash equivalents

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.

(h) 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.

(i) 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.

(j) 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.

Notes to the financial statements (continued)

Note 1. Significant accounting policies (continued)

(k) Comparative figures

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

(l) Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Employee benefits provision

As discussed in note 1(f), the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

	2016	2015
	\$	\$
Note 2. Revenue		
Operating revenue		
- Gross receipts	459,023	491,247
- Market development	50,000	50,000
- Membership fees	-	-
	509,023	541,247

Notes to the financial statements (continued)

	2016 \$	2015 \$
Note 2. Revenue (continued)		
Non-operating revenue		
- Interest received	14,382	14,390
- Grants received	-	-
	14,382	14,390
Total revenue	523,405	555,637

Note 3. Operating profit

Operating profit before income tax has been determined after:

Crediting as Income:		
Interest received	14,382	14,390
Charging as expenses:		
Bad and doubtful debts	34	11
Depreciation of non-current assets:		
- Plant and equipment	12,682	15,226
Amortisation		
- Franchise fee and IT license	13,742	13,742
Remuneration of the Auditors:		
- audit	4,100	3,900

Note 4. Cash and cash equivalents

Current

Cash at bank	48,739	36,932
Sandhurst trustees	593,472	545,145
Eftpos account	712	752
	642,923	582,829

Note 5. Trade and other receivables

Current

Trade debtors	45,574	44,810
FBT Refundable	-	2,215
	45,574	47,025

Notes to the financial statements (continued)

	2016 \$	2015 \$
Note 6. Property, plant and equipment		
Fixtures and fittings		
At cost	106,848	106,848
Less: Accumulated depreciation	(87,546)	(82,546)
	19,302	24,302
Plant and equipment		
At cost	65,425	65,425
Less: Accumulated depreciation	(53,548)	(49,516)
	11,877	15,909
Land		
Freehold land - at cost	5,200	5,200
	5,200	5,200
Buildings		
At cost	254,409	254,409
Less: Accumulated depreciation	(31,633)	(27,983)
	222,776	226,426
	259,155	271,837

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.

2015	Land	Buildings	Fixtures & fittings	Plant & equipment	Total
Balance at beginning of year	5,200	230,076	15,946	21,356	272,578
Additions			14,491	(6)	14,485
Disposals					-
Loss on disposal					-
Depreciation expense		(3,650)	(6,135)	(5,441)	(15,226)
Carrying amount at end of year	5,200	226,426	24,302	15,909	271,837

Notes to the financial statements (continued)

Note 6. Property, Plant and Equipment (continued)

Movement in carrying amounts (continued)

2016	Land	Buildings	Fixtures & Fittings	Plant & Equipment	Total
Balance at beginning of year	5,200	226,426	24,302	15,909	271,837
Additions					-
Disposals					-
Loss on disposal					-
Depreciation expense		(3,650)	(5,000)	(4,032)	(12,682)
Carrying amount at end of year	5,200	222,776	19,302	11,877	259,155

	2016 \$	2015 \$
Note 7. Intangible assets		
Franchise fee and IT Licence - at cost	109,713	109,713
Less: Accumulated amortisation	(81,513)	(67,771)
	28,200	41,942

Note 8. Trade and other payables

Current

Unsecured		
Trade creditors	8,710	27,034
Net GST Payable	7,109	7,449
	15,819	34,483

Note 9. Provisions

Current

Employee benefits	12,890	10,656
	12,890	10,656

Non current

Employee benefits	4,354	2,729
	4,354	2,729

Notes to the financial statements (continued)

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.

	2016 \$	2015 \$
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Note 11. Remuneration of Auditor

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

Auditing the accounts	4,100	3,900
Other services	-	-
	4,100	3,900

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.

Transactions with related parties:

Professional fees of \$24,705 for accounting and taxation were paid to Samantha Matthews & Associates, of which Samantha Matthews is the principal.

	2016 \$	2015 \$
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Note 13. Cash flow information

Reconciliation of Cash Flow from Operations with Profit from Ordinary Activities after Income Tax

Profit (loss) from ordinary activities	136,024	45,940
Revenue and expenditure disclosed as investing and financing activities in statement of cash flows		
Interest revenue	(14,382)	(14,390)
Grants received	-	-
Retail precinct expenses	-	18,000
Non-cash flows in profit from ordinary activities		
Amortisation	13,742	13,742
Depreciation	12,682	15,226

Notes to the financial statements (continued)

	2016 \$	2015 \$
Note 13. Cash flow information (continued)		
Net loss on disposal of plant and equipment	-	-
Changes in assets and liabilities		
Decrease/(Increase) in receivables	(764)	6,642
Decrease/(Increase) in other assets	2,215	(2,216)
Increase/(Decrease) in payables	(18,664)	(4,208)
Increase/(Decrease) in provisions	3,859	(3,480)
Cash flows from operations	134,712	75,256

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 2016, the number of members was 167.

Note 15. Key management personnel disclosures

Compensation

The aggregate compensation made to Directors and other members of key management personnel of the company is set out below:

	2016 \$	2015 \$
Aggregate compensation	5,200	5,200

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 Bank Group.

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:

Notes to the financial statements (continued)

	2016 \$	2015 \$
Note 17. Financial Risk Management (continued)		
Financial assets		
Cash and cash equivalents	642,923	582,829
Loans and receivables	45,574	47,025
Total financial assets	688,497	629,854
Financial liabilities		
Financial liabilities at amortised cost		
- Trade and other payables	15,819	34,483
- Borrowings	-	-
Total financial liabilities	15,819	34,483

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
9 Stewart Street
Rupanyup Vic 3388

Directors' declaration

In the Directors opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards - Reduced Disclosure Requirements, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2016 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors



Director



Director

Dated: 2 September 2016

Income statement

	Notes	2016 \$	2015 \$
Income			
Gross receipts		459,023	491,247
Market development incentive		50,000	50,000
Membership fees			
Interest received		14,382	14,390
Profit on sale of non-current assets			
Grants received			
		523,405	555,637
Expenditure			
Accountancy fees		24,705	19,583
Amortisation - franchise fee		13,742	13,742
Advertising		11,318	15,341
Auditor's remuneration		4,100	3,900
Bad debts		34	11
Bank charges		853	770
Cleaning / rubbish removal		39	13
Cash delivery & management fees		4,399	5,455
Depreciation		12,682	15,226
Expense reimbursement		5,200	5,200
Filing fees		357	74
Freight & cartage		14,650	15,568
Fringe benefits tax		-	-
Insurance		16,258	16,322
Legal costs		-	2,000
Leasing charges		12,608	14,523
Light & power		3,771	5,320
Loss on sale of non-current assets		-	-
IT running & support costs		27,295	27,341
Meeting expense		1,321	1,325
Motor vehicle expenses		2,763	7,303
Postage		832	1,044
Printing & stationery		7,024	8,828
Rates & taxes		5,157	3,759
Retail precinct expenses		-	18,000

	Notes	2016 \$	2015 \$
Expenditure (continued)			
Repairs & maintenance		1,626	4,090
Salaries & wages		142,160	128,255
Secondment manager		13,865	113,758
Security costs		804	2,455
Search fees & credit checks		786	892
Staff amenities		10,701	14,504
Subscriptions		-	-
Sundry expenses		-113	992
Superannuation		37,961	30,902
Telephone		10,036	11,307
Travel, accom & conferences		434	1,119
Workcover		13	777
		387,381	509,697
Operating profit before income tax		136,024	45,940

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 2016, 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 2016 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*.

CROWE HORWATH WEST VIC

A handwritten signature in black ink, appearing to read "Martin Thompson".

MARTIN THOMPSON
Partner

Ballarat, Victoria
Dated this 2nd day of September 2016

Rupanyup/Minyip **Community Bank**[®] Branch

Rupanyup

32 Cromie Street, Rupanyup VIC 3388

Phone: (03) 5385 5320 Fax: (03) 5385 5336

www.bendigobank.com.au/rupanyup

Minyip

63 Main Street, Minyip VIC 3392

Phone: (03) 5385 7680 Fax: (03) 5385 7675

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Franchisee: Rupanyup/Minyip Finance Group Limited

16 Cromie Street, Rupanyup VIC 3388

ABN: 79 083 123 924

(BNPAR16064) (08/16)



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