



San Remo District
Financial Services Limited

ABN 20 102 770 150

**ANNUAL
REPORT
2013**

San Remo District **Community Bank®** Branch
Cowes **Community Bank®** Branch
Grantville & District **Community Bank®** Branch

Contents

| | |
|---|-----------|
| Chairman's report | 2 |
| San Remo Manager's report | 3 |
| Cowes Manager's report | 4 |
| Grantville Manager's report | 5 |
| Bendigo and Adelaide Bank report | 6 |
| Directors' report | 8 |
| Auditor's independence declaration | 13 |
| Financial statements | 14 |
| Notes to the financial statements | 18 |
| Directors' declaration | 40 |
| Independent audit report | 41 |
| NSX report | 43 |

Chairman's report

For year ending 30 June 2013

Our Annual General Meeting will be held at the Newhaven Yacht Club in Seaview Street, Newhaven on Monday 28 October at 7.30pm. A light supper will be served after the meeting.

The **Community Bank**[®] branch network, throughout Australia, has now returned in excess of \$100 million to support and strengthen local communities.

Our three branches have managed to contribute \$1.03 million back to our local areas, plus shareholders have received \$173,000 in dividends.

This past year we have placed approximately \$430,000 into our local catchment areas, the most significant of these have been –

| | | |
|--|----------|-------------------|
| Bass Recreation Reserve | \$63,000 | oval drainage |
| Bass Coast Community Health | \$50,000 | community bus |
| Phillip Island Early Learning Centre | \$40,000 | fit out/equipment |
| San Remo Recreation Centre | \$26,000 | roofing/flooring |
| Phillip Island Community & Learning Centre | \$21,934 | renovations |
| Corinella Mens' Shed | \$14,920 | fit out |
| San Remo Primary School | \$10,000 | exercise track |
| Powlett River Primary School | \$10,000 | exercise track |
| Phillip Island Football/Netball Club | \$10,500 | |
| Kilcunda Bass Football/Netball Club | \$10,500 | |
| Dalyston Football/Netball Club | \$10,500 | |

In total for the year we funded 67 individual sponsorships and 14 grants. Amongst these sponsorships we have given four scholarships (\$5,000 each) to students who have begun university studies in 2013. Next year we aim to continue our support of these students and initiate another three into university studies through the Scholarship Program.

Both San Remo District and Cowes **Community Bank**[®] branches have contributed with monthly profits throughout the year and Grantville & District **Community Bank**[®] Branch is closing in on the forecast target.

We now have 14 branch staff plus two part-time in administration for San Remo District Financial Services Limited. All continue to impress and give exceptional service as required. Two of our branch staff have been with us for our entire 10 years of business.

I wish to thank my fellow Directors for their input throughout the year and should mention that three of these have been with the company since inception.

We would not be in such a financially viable position without the continuing assistance from our Franchise partner Bendigo and Adelaide Bank Limited, our shareholders and our customers. To all three groups thank you very much and keep up the good work that enables us to do likewise.

Your support strengthens our broad community.



Terry Ashenden
Chairman

San Remo Manager's report

For year ending 30 June 2013

It is with pleasure that I again present the following results for the financial year ending June 2013 on behalf of the San Remo District **Community Bank**[®] Branch.

In what was again a very challenging year, the San Remo **Community Bank**[®] Branch was still able to achieve some fantastic outcomes.

- Our total footings held remained steady at nearly \$93 million.
- Our profit was approximately \$384,000 once sponsorships and grants are added back.
- Our combined lending activity was again #1 in the region.
- We have again contributed, along with Cowes and Grantville & District **Community Bank**[®] branches, over \$145,000 in Community Grants.

Sponsorship is an important part of our make up however we also require the support coming back through our doors. This has been evident with many major sponsorships that we have been involved in this year. San Remo Channel Challenge, Kilcunda Bass and Dalyston Football Clubs, the Rotary/Lions Club Art Show and our major contribution of \$63,000 to the Bass Reserve Upgrade, were a few of the wonderful sponsorships that we embarked on this year.

Without doubt the highlight of the year was the celebration of our 10th birthday. Held on a cold night in San Remo, 200 shareholders and customers attended the gala night where we were lucky enough to hand out over \$140,000 to various community groups as part of our grant program. It was a wonderful night and really showcased what the **Community Bank**[®] concept is all about.

Thank you again to Chairman Terry and the Board for their tireless voluntary work throughout the year.

To my staff, Tash, Di and Marcia, thank you again for all of your support and effort throughout the year and we look forward to working together to make 2014 a successful year for the San Remo **Community Bank**[®] Branch.



Michael Scott
Branch Manager
San Remo

Cowes Manager's report

For year ending 30 June 2013

It's with great pleasure I present the fourth annual report for the Cowes **Community Bank**[®] Branch for the year ending 30 June 2013. We have had another successful year with the community showing fantastic support of the branch and we are finding they are beginning to understand what a **Community Bank**[®] branch can do for them.

Once again we have really focused on providing the customers with exceptional customer service, which has reflected on the growth of the branch during the financial year. The staff really enjoy assisting our customers and we look forward to building strong relationships with the Cowes and surrounding community.

For the financial year, we have managed to increase our overall footings from \$76 million to \$91.7 million which is a really pleasing outcome from our team. The branch ended up exceeding budget by \$10.5 million which was the highest for our region in Gippsland.

- Total footings in lending at the end of the financial year stood at \$60.2 million which was an increase of \$10.4 million.
- In deposits we started the financial year at \$26.4 million and we managed to increase the footings to \$31.5 million in a tough deposit market.

The community focus was outstanding again with another \$128,000 going back into our local community and contributing to some really exciting projects. We have continued to support events such as the Cowes Classic, Carols by the Bay and more importantly contributed \$40,000 to our new kindergarten the Phillip Island Early Learning Centre.

Our budgets have been set at \$6.7 million in footings for the upcoming financial year, in a tough economy, we face some challenges but with continued support we expect to achieve them.

I would like to take this opportunity to thank Bendigo and Adelaide Bank Limited staff for all their assistance. Also a special thank you to Terry Ashenden, the Board of Directors and the staff of San Remo District Financial Services Limited for their support to all my team.

Most importantly I would like to formally congratulate my team of Kaye Dipaola, Robyn Thom, Robyn George, Carlie Jordan and Penny Barnett for their contribution and I look forward to having another successful year with you all.

Kind regards,



Peter Wayman
Branch Manager
Cowes

Grantville Manager's report

For year ending 30 June 2013

It is with great pleasure that I present the third Annual Report for the financial year ending 30 June 2013, on behalf of Grantville & District **Community Bank**[®] Branch.

Our business has grown by \$3.1 million to \$33 million; the book is split with deposits of \$17 million and loans of \$16 million, just staying ahead of prospectus forecast of \$32.7 million for the 31 month trading period.

We have 1,437 accounts and this number continues to have steady growth each week, with our community keen to support their local **Community Bank**[®] branch. Our ATM continues to provide a valuable service processing over 3,000 transactions each month.

We have again contributed very generously within our community with over \$40,000 going back through grants, sponsorships and donations, with some of the recipients being Kilcunda Bass Football & Netball Clubs Inc., Bass Valley Music Festival 'Serenade at Sunset', Corinella Bowling Club, Jeanette Loughridge Memorial Pre School, Grantville Cemetery Trust, Corinella & District Mens' Shed & Woodies Group, Bass Valley Community Group Inc. and the Kernot-Grantville Fire Brigade.

In conjunction with our San Remo District and Cowes **Community Bank**[®] branches, we contributed a whopping \$63,000 to the Bass Recreation Reserve to enable an upgrade to the oval, our contribution partnership with others enabled this necessary and costly upgrade to be completed, just like Kilcunda Bass Football Club our success too comes from achieving goals. From a **Community Bank**[®] branch's perspective, these goals can only be achieved by our communities partnering our success and foremost by you supporting your local **Community Bank**[®] branch with your banking; be it loans, deposit accounts, insurances, superannuation, your financial needs.

Our staff again continued their weekly community engagement with helping out the breakfast club at Bass Valley Primary School. Kellie went on maternity leave and in March her son, Dexter, was born, how fortunate we were to have Sharon Sly come to join Kim and Emily in providing exceptional service and strengthen relationships within the vast community of Grantville and district. I would like to convey my thanks to Sharon, Kim, Emily and the staff of the San Remo and Cowes **Community Bank**[®] branches for supporting the branch, particularly during my absence.

I congratulate San Remo District and Cowes **Community Bank**[®] branches for their achievements this year and without doubt the celebrating of San Remo District **Community Bank**[®] Branch and our company's' 10th birthday was the highlight for all. I am very fortunate to have been one of two staff members that remain within this amazing community company since the beginning and was very proud to share in the celebrations and granting of \$145,000 to various community groups within our three branch areas. To the Board of San Remo District Financial Services Limited, especially our Chairman Terry Ashenden, thank you for your commitment and dedication towards leading us in the right direction, just imagine what profits can be shared and goals achieved over the next decade.

Another challenging year ahead with a budget of \$7 million in growth to achieve focused around establishing and maintaining relationships.

Please share our stories, our investors, supporters and customers are our greatest advocates in encouraging others to come join and share in the **Community Bank**[®] concept success.



Trudy Jamieson
Branch Manager
Grantville

Bendigo and Adelaide Bank report

For year ending 30 June 2013

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

The **Community Bank**[®] network has grown considerably since it was first launched in 1998, in partnership with the people from the western Victorian farming towns of Rupanyup and Minyip. For these communities the **Community Bank**[®] model was seen as a way to restore branch banking services to the towns, after the last of the major banks closed its services. But in the years since, the **Community Bank**[®] model has become so much more.

The **Community Bank**[®] network has returned more than \$20 million in contributions to local communities in this financial year alone. Our branches have been able to fund health services, sports programs, aged care facilities, education initiatives, community events and much more.

These contributions have come at a time of continued economic uncertainty, and shows the high level of support the **Community Bank**[®] model has in the communities in which it operates.

While our established branches grow their business at a healthy rate, demand for the model in other communities continues to be strong. There are currently another 40 **Community Bank**[®] sites in development, and 15 new branches are expected to open in the next 12 months.

At the end of the financial year 2012/13 the **Community Bank**[®] network had achieved the following:

- Returns to community – \$102 million
- **Community Bank**[®] branches – 298
- **Community Bank**[®] branch staff – more than 1,460
- **Community Bank**[®] company Directors – 1,925
- Banking business – \$24.46 billion
- Customers – 640,159
- Shareholders – 72,062
- Dividends paid to shareholders since inception – \$30.88 million.

Almost 300 communities have now partnered with Bendigo and Adelaide Bank, to not only enhance banking services, but more importantly take the profits their banking business generates and reinvest it in local groups and projects that will ultimately strengthen their community. This \$100 million goes to new community facilities, improved services, more opportunities for community engagement activities and generally speaking, a more prosperous society.

The communities we partner with also have access to Bendigo and Adelaide Bank's extensive range of other community building solutions including the Community Enterprise Foundation[™] (philanthropic arm), Community Sector Banking (banking service for not-for-profit organisations), Generation Green[™] (environment and sustainability initiative), Community Telco[®] (telecommunications solution), tertiary education scholarships and Community Enterprises that provide **Community Bank**[®] companies with further development options.

In Bendigo and Adelaide Bank, your **Community Bank**[®] company has a committed and strong partner and over the last financial year our company has continued its solid performance.

Bendigo and Adelaide Bank report (continued)

Bendigo and Adelaide Bank remains one of the few banks globally to be awarded an upgraded credit rating since the onset of the Global Financial Crisis. Our Bank continues to be rated at least “A-” by Standard & Poor’s, Moody’s and Fitch in recognition of its strong performance in the face of what continues to be a challenging economic environment.

While continued ratings affirmation is a welcome boost for the Bank and its partners, trading conditions are still difficult, with consumer confidence and demand for credit remaining low, and competition remaining very strong for retail deposits.

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

In April, the Bank took a further step to restore this balance, ensuring that the **Community Bank**[®] model produced a more appropriate balance of return for all stakeholders within this partnership model. The Bank will continue to review this remuneration model to ensure it is fair and equitable for all parties and is as resilient as possible to the fast changing economic environment.

It continues to be Bendigo and Adelaide Bank’s vision to be Australia’s leading customer-connected bank. We believe our strength comes from our focus on the success of our customers, people, partners and communities. We take a 100-year view of our business; we listen and respect every customer’s choice, needs and objectives. We partner for sustainable long-term outcomes and aim to be relevant, connected and valued.

This is what drives each and every one of our people and we invite you as **Community Bank**[®] shareholders to support us as we work with your community to deliver on our goals and ensure our sustained and shared success.

As **Community Bank**[®] shareholders you are part of something special, a unique banking movement which has evolved into a whole new way of thinking about banking and the role it plays in modern society.

With the community’s support, there really is no limit to what can be achieved under the **Community Bank**[®] model, and I look forward to seeing what the next 15 years will bring.

I thank you for your important support of your local **Community Bank**[®] branch.



Robert Musgrove
Executive Community Engagement

Directors' report

For the financial year ended 30 June 2013

Your Directors submit their report of the company 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 end of the financial year are:

| Name and position held | Qualifications | Experience and other Directorships |
|--|---|---|
| Terry Ashenden Director since 08/11/2002 Chairman | | |
| Joan Matthews Director since 08/11/2002 Director | | |
| Miranda Sage Director since 08/11/2002 Director | Pharmaceutical Chemist Ph.C. | Former councilor and mayor of Bass Coast Shire Chief pharmacist of Wonthaggi Hospital |
| Caroline Talbot Director since 25/10/2004 Director | Cert III Business Administration Justice of the Peace | 25 years school office Manager, member of Community Advisor Group, Wonthaggi Regional Health |
| Janice Rowlingson Director since 25/10/2004 Director | | |
| Bruce Procter Director since 24/10/2005 Director | Cert Course in Post Office Administration | Past Director of Warley Hospital, past Director of Bass Coast Regional Health |
| Craig Semple Director since 29/10/2007 Director | BTheol. Previous Registered Nurse | 2-3 years board Director of East Bentleigh Community Health |
| Kathy Jones Director since 26/10/2009 Director | Diploma Education Diploma Applied Science | |

Directors' report (continued)

Directors (continued)

| | | |
|--|--|---|
| Patrick Russell Director since 26/10/2009 Director | Cert IV Training Diploma Management | |
| Anthony Zoanetti Director since 28/6/2012 Director | | |
| Peter Paul Director since 29/10/2012 | B.A. B.Ed. B.Tech. T.P.T.C. | 30 years school principal, former councilor and mayor of Bass Coast Shire |
| Dorene Blum Director since 24/10/2011 Director | Resigned 6/8/2012 | |

Directors were in office for this entire year unless otherwise stated.

No Directors have material interests in contracts or proposed contracts with the company.

Principal activities

The principal activities of the company during the course of the financial year were in providing **Community Bank®** services under management rights to operate a franchised branch of Bendigo and Adelaide Bank Limited.

There has been no significant changes in the nature of these activities during the year.

Review of operations

The profit of the company for the financial year after providing for income tax was \$86,902 (2012 profit: \$124,778), which is a 30% decrease as compared with the previous year.

The net assets of the company have decreased to \$1,379,513 (2012: \$1,381,935).

Dividends

| | Year ended 30 June 2013 | |
|--|-------------------------|--------|
| | Cents per share | \$ |
| Dividends paid in the year | 3 | 44,662 |
| Dividends provided for during the year | 6 | 89,324 |

Significant changes in the state of affairs

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

Directors' report (continued)

Events subsequent to reporting date

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

Remuneration report

Remuneration policy

There has been no remuneration policy developed as Director positions are held on a voluntary basis and Directors are not remunerated for their services.

Remuneration benefits and payments

Other than detailed below, 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 the 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.

Joan Matthews is a Director of and shareholder in Park Accommodation (Vic) Pty Ltd, which owns the premises situated at 103A Marine Parade, San Remo. The company has entered into a lease arrangement with Park Accommodation (Vic) Pty Ltd with regard to these premises. During the year ended 30 June 2013 \$27,541 (2012: \$27,418) was paid in relation to this lease.

Newhaven Hardware & Plant Hire, of which Terry Ashenden is a partner, received \$3,600 (2012: \$3,600) in respect of the lease and associated outgoings for the office space for San Remo District Financial Services Limited.

The San Remo District Financial Services Limited has not accepted the Bendigo & Adelaide Bank Limited's **Community Bank**[®] Directors Privileges package. The package is available to all Directors who can elect to avail themselves of the benefits based on their personal banking with the branch. There is no requirement to own Bendigo & Adelaide Bank Ltd shares and there is no qualification period to qualify to utilize the benefits. The package mirrors the benefits currently available to Bendigo and Adelaide Bank Limited shareholders. The Directors have estimated the total benefits received from the Directors Privilege Package to be \$Nil for the year ended 30 June 2013.

Indemnifying Officers or Auditor

The company has agreed to indemnify each Officer (Director, Secretary or employee) out of assets of the company to the relevant extent against any liability incurred by that person arising out of the discharge of their duties, except where the liability arises out of conduct involving dishonesty, negligence, breach of duty or the lack of good faith. The company also has Officers Insurance for the benefit of Officers of the company against any liability incurred by the Officer, which includes the Officer's liability for legal costs, in or arising out of the conduct of the business of the company or in or arising out of the discharge of the Officer's duties.

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.

Directors' report (continued)

Directors' meetings

The number of Directors' meetings held during the year were 12. Attendances by each Director during the year were as follows:

| Director | Board meetings* | Audit committee meetings* |
|-------------------|-----------------|---------------------------|
| Terry Ashenden | 12 (12) | 2 (2) |
| Joan Matthews | 8 (12) | N/A |
| Miranda Sage | 9 (12) | N/A |
| Caroline Talbot | 12 (12) | N/A |
| Janice Rowlingson | 11 (12) | 2 (2) |
| Bruce Procter | 11 (12) | N/A |
| Craig Semple | 10 (12) | N/A |
| Kathy Jones | 9 (12) | N/A |
| Patrick Russell | 7 (12) | N/A |
| Dorene Blum | NIL (1) | N/A |
| Peter Paul | 5 (8) | N/A |
| Anthony Zoanetti | 11 (12) | N/A |

The first number is the meetings attended while in brackets is the number of meetings eligible to attend.
N/A - not a member of that Committee.

Likely developments

The company will continue its policy of providing banking services to the community.

Environmental regulations

The company is not subject to any significant environmental regulation. However, the Board believes that the company has adequate systems in place for the management of its environment requirements and is not aware of any breach of these environmental requirements as they apply to the company.

Proceedings on behalf of company

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The company was not a party to any such proceedings during the year.

Directors' report (continued)

Company Secretary

Leonie Gardiner has been the Company Secretary of San Remo Financial Services Limited since 2011. Leonie has worked in the family business since 1998. Prior to this she was office Manager for various other businesses.

Non audit services

The Directors in accordance with advice from the audit committee, are satisfied that the provision of non audit services during the year is compatible with the general standard of independence for Auditors imposed by the Corporations Act 2001. The Directors are satisfied that the services disclosed in Note 5 did not compromise the external Auditor's independence for the following reasons:

- all non audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the Auditor; and
- the nature of the services provided does not compromise the general principles relating to Auditor independence in accordance with APES 110 "Code of Ethics for Professional Accountants" set by the Accounting Professional and Ethical Standards Board.

Auditor independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set at page 13 of this financial report. No Officer of the company is or has been a partner of the Auditor of the company.

Signed in accordance with a resolution of the Board of Directors at San Remo, Victoria on 12 September 2013.



Terry Ashenden
Director

Auditor's independence declaration



Level 2, 10-16 Forest Street
Bendigo, Victoria
PO Box 30, Bendigo, VIC 3552

Telephone: (03) 5445 4200
Fax: (03) 5444 4344
Email: rsd@rsdadvisors.com.au

www.rsadvisors.com.au

Auditor's Independence Declaration under section 307C of the Corporations Act 2001 to the Directors of San Remo District Financial Services Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2013 there has 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.

RICHMOND SINNOTT & DELAHUNTY
Chartered Accountants

A handwritten signature in blue ink, appearing to read "Philip Delahunty".

Philip Delahunty
Partner
Bendigo

Dated at Bendigo, 12 September 2013

Richmond Sinnott & Delahunty
ABN 60 616 244 309
Liability limited by a scheme
approved under Professional
Standards Legislation

| Partners | |
|----------------|------------------|
| Warren Sinnott | Philip Delahunty |
| Cara Hail | Kathie Teasdale |
| Brett Andrews | David Richmond |

Financial statements

Statement of profit or loss and other comprehensive income for the year ended 30 June 2013

| | Notes | 2013 \$ | 2012 \$ |
|---|-------|----------------|----------------|
| Revenue | 2 | 2,030,256 | 1,742,435 |
| Employee benefits expense | 3 | (833,089) | (772,866) |
| Depreciation and amortisation expense | 3 | (106,414) | (110,395) |
| Finance costs | 3 | (4,120) | (3,626) |
| Bad and doubtful debts expense | 3 | (500) | (516) |
| Rental expense | | (110,701) | (104,290) |
| Other expenses | | (419,737) | (355,805) |
| Operating profit/(loss) before charitable donations & sponsorships | | 555,695 | 394,937 |
| Charitable donations and sponsorships | | (416,496) | (202,304) |
| Profit/(loss) before income tax expense | | 139,199 | 192,633 |
| Tax expense / (benefit) | 4 | 52,297 | 67,855 |
| Profit/(loss) for the year | | 86,902 | 124,778 |
| Other comprehensive income | | - | - |
| Total comprehensive income | | 86,902 | 124,778 |
| Total comprehensive income attributable to members of the company | | 86,902 | 124,778 |
| Earnings per share (cents per share) | | | |
| - basic for profit / (loss) for the year | 21 | 5.8 | 8.4 |
| - diluted for profit / (loss) for the year | 21 | 5.8 | 8.4 |

The accompanying notes form part of these financial statements.

Financial statements (continued)

Statement of financial position as at 30 June 2013

| | Notes | 2013 \$ | 2012 \$ |
|--|-------|------------------|------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 6 | 1,086,061 | 937,135 |
| Trade and other receivables | 7 | 153,206 | 162,104 |
| Deferred tax asset | 4 | 21,046 | 17,340 |
| Total current assets | | 1,260,313 | 1,116,579 |
| Non-current assets | | | |
| Property, plant and equipment | 8 | 409,060 | 466,048 |
| Intangible assets | 9 | 60,020 | 120,139 |
| Total non-current assets | | 469,080 | 586,187 |
| Total assets | | 1,729,393 | 1,702,766 |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | 10 | 70,455 | 74,753 |
| Borrowings | 11 | 11,824 | 17,304 |
| Provisions | 12 | 151,008 | 92,917 |
| Current tax liabilities | 4 | 39,693 | 29,569 |
| Total current liabilities | | 272,980 | 214,543 |
| Non current liabilities | | | |
| Borrowings | 11 | 13,215 | 40,426 |
| Deferred tax liabilities | 4 | 63,685 | 65,862 |
| Total non current liabilities | | 76,900 | 106,288 |
| Total liabilities | | 349,880 | 320,831 |
| Net assets / (liabilities) | | 1,379,513 | 1,381,935 |
| Equity | | | |
| Issued capital | 13 | 1,415,926 | 1,415,926 |
| Retained earnings / (accumulated losses) | 14 | (36,413) | (33,991) |
| Total equity | | 1,379,513 | 1,381,935 |

The accompanying notes form part of these financial statements.

Financial statements (continued)

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

| | Notes | Issued Capital \$ | Retained Earnings \$ | Total Equity \$ |
|--|-------|-------------------------|----------------------------|-----------------------|
| Balance at 1 July 2011 | | 1,415,926 | (69,445) | 1,346,481 |
| Total comprehensive income for the year | | - | 124,778 | 124,778 |
| Transactions with owners, in their capacity as owners | | | | |
| Shares issued during the year | | - | - | - |
| Dividends paid or provided | 22 | - | (89,324) | (89,324) |
| Balance at 30 June 2012 | | 1,415,926 | (33,991) | 1,381,935 |
| Balance at 1 July 2012 | | 1,415,926 | (33,991) | 1,381,935 |
| Total comprehensive income for the year | | - | 86,902 | 86,902 |
| Transactions with owners, in their capacity as owners | | | | |
| Shares issued during the year | | - | - | - |
| Dividends paid or provided | 22 | - | (89,324) | (89,324) |
| Balance at 30 June 2013 | | 1,415,926 | (36,413) | 1,379,513 |

The accompanying notes form part of these financial statements.

Financial statements (continued)

Statement of cash flows for the year ended 30 June 2013

| | Notes | 2013 \$ | 2012 \$ |
|---|------------|------------------|-----------------|
| Cash flows from operating activities | | | |
| Receipts from clients | | 2,006,838 | 1,833,295 |
| Payments to suppliers and employees | | (1,726,366) | (1,572,550) |
| Income tax paid | | (48,056) | (23,672) |
| Interest paid | | (4,120) | (3,626) |
| Other income | | 1,707 | - |
| Interest received | | 29,505 | 30,911 |
| Net cash flows from/(used in) operating activities | 15b | 259,508 | 264,358 |
| Cash flows from investing activities | | | |
| | | 1,004 | |
| Purchase of property, plant & equipment | | (7,521) | (28,661) |
| Proceeds from sale of property, plant and equipment | | 18,954 | 6,819 |
| Purchase of intangible asset | | - | (148) |
| Net cash flows from/(used in) investing activities | | 11,433 | (21,990) |
| Cash flows from financing activities | | | |
| Proceeds from / (repayment of) borrowings | | (32,691) | 9,342 |
| Dividends paid | | (89,324) | (44,662) |
| Net cash flows from/(used in) financing activities | | (122,015) | (35,320) |
| Net increase/(decrease) in cash held | | 148,926 | 207,048 |
| Cash and cash equivalents at start of year | | 937,135 | 730,087 |
| Cash and cash equivalents at end of year | 15a | 1,086,061 | 937,135 |

The accompanying notes form part of these financial statements.

Notes to the financial statements

For year ended 30 June 2012

The financial statements and notes represent those of San Remo District Financial Services Limited. San Remo District Financial Services Limited ('the company') is a company limited by shares, incorporated and domiciled in Australia.

The financial statements were authorised for issue by the Directors on 12 September 2013.

Note 1. Summary of significant accounting policies

(a) Basis of preparation

The financial statements are general purpose financial statements, that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board and the Corporations Act 2001. The company is a for profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards (IFRS). Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

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

(b) Income tax

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognised for all taxable temporary differences.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled.

Notes to the financial statements (continued)

Note 1. Summary of significant accounting policies (continued)

(c) Property, plant and equipment

Property, plant and equipment are brought to account at cost less accumulated depreciation and any impairment in value.

Land and buildings are measured at fair value less accumulated depreciation.

Depreciation is calculated on a straight line basis over the estimated useful life of the asset as follows:

| Class of asset | Depreciation rate |
|------------------------|--------------------------|
| Plant & Equipment | 10% |
| Furniture and fittings | 20% |
| Motor vehicles | 15% |
| Property improvements | 2.5% & 10% |

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

If any such indication exists and where the carrying value exceeds the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Revaluations

Following initial recognition at cost, land and buildings are carried at a revalued amount which is the fair value at the date of the revaluation less any subsequent accumulated depreciation on buildings and accumulated impairment losses.

Fair value is determined by reference to market based evidence, which is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date.

(d) Impairment of assets

At each reporting date, the company assesses whether there is any indication that an asset is impaired. Where an indicator of impairment exists, the company makes a formal estimate of the recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

(e) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Statement of Financial Position. Cash flows are presented on a gross basis.

Notes to the financial statements (continued)

Note 1. Summary of significant accounting policies (continued)

(e) Goods and services tax (continued)

The GST components of investing and financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(f) Employee benefits

Provision is made for the company's liability for employee benefits arising from the services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy any 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 attributable to the employee benefits.

(g) Intangibles

Establishment costs have been initially recorded at cost and amortised on a straight line basis at a rate of 20% per annum. The current amortisation charges for intangible assets are included under depreciation and amortisation expense per the Statement of Comprehensive Income.

(h) Cash

Cash on hand and in banks are stated at nominal value. Bank overdrafts are shown as short term borrowings in current liabilities in the statement of financial position.

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.

(i) Revenue

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Revenue comprises service commissions and other income received by the company.

Interest and fee revenue is recognised when earned. All revenue is stated net of the amount of goods and services tax (GST).

(j) Receivables and payables

Receivables and payables are non interest bearing and generally have payment terms of between 30 and 90 days. Receivables expected to be collected within 12 months at the end of the reporting period are classified as current assets. Receivables are recognised and carried at original invoice amount less a provision for any uncollected debts. Liabilities for trade creditors and other amounts are carried at cost that is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the company and are recognised as a current liability.

Notes to the financial statements (continued)

Note 1. Summary of significant accounting policies (continued)

(k) New accounting standards and interpretations not yet adopted

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the company.

The company has decided not to early adopt any of the new and amended pronouncements. The company's assessment of the new and amended pronouncements that are relevant to the company but applicable in the future reporting periods is set below:

(i) AASB 9 Financial Instruments (2010), AASB 9 Financial Instruments (2009)

AASB 9 (2009) introduces new requirements for the classification and measurement of financial assets. Under AASB 9 (2009), financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. AASB 9 (2010) introduces additions relating to financial liabilities. The IASB currently has an active project that may result in limited amendments to the classification and measurement requirements of AASB 9 and add new requirements to address the impairment of financial assets and hedge accounting.

AASB 9 (2010 and 2009) are effective for annual periods beginning on or after 1 January 2015 with early adoption permitted. The adoption of AASB 9 (2010) is not expected to have an impact on the company's financial assets or financial liabilities.

(ii) AASB 13 Fair Value Measurement (2011)

AASB 13 provides a single source of guidance on how fair value is measured, and replaces the fair value measurement guidance that is currently dispersed throughout Australian Accounting Standards. Subject to limited exceptions, AASB 13 is applied when fair value measurements or disclosures are required or permitted by other AASBs. The company is currently reviewing its methodologies in determining fair values. AASB 13 is effective for annual periods beginning on or after 1 January 2013 with early adoption permitted.

(iii) AASB 119 Employee Benefits (2011)

AASB 119 (2011) changes the definition of short-term and other long-term employee benefits to clarify the distinction between the two. For defined benefit plans, removal of the accounting policy choice for recognition of actuarial gains and losses is not expected to have any impact on the company. However, the company may need to assess the impact of the change in measurement principles of expected return on plan assets. AASB 119 (2011) is effective for annual periods beginning on or after 1 January 2013 with early adoption permitted.

(l) Loans and borrowings

All loans are measured at the principal amount. Interest is recognised as an expense as it accrues.

(m) 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 the outflow of economic benefits will result and the 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.

A provision for dividends is not recognised as a liability unless the dividends are declared, determined or publicly recommended on or before the reporting date.

Notes to the financial statements (continued)

Note 1. Summary of significant accounting policies (continued)

(n) Share capital

Issued and paid up capital is recognised at the fair value of the consideration received by the company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(o) Comparative figures

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

(p) Critical accounting estimates and judgements

The Directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company. Estimates and judgements are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The estimates and judgements that have a significant risk of causing material adjustments to the carrying values of assets and liabilities are as follows:

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation changes for its property, plant and equipment and intangible assets. The depreciation and amortisation charge will increase where useful lives are less than previously estimated lives.

Income tax

The company is subject to income tax. Significant judgement is required in determining the deferred tax asset or the provision for income tax liability. Deferred tax assets are recognised only when it is considered sufficient future profits will be generated. The assumptions made regarding future profits is based on the company's assessment of future cash flows.

Impairment

The company assesses impairment at the end of each reporting period by calculating conditions and events specific to the company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value in use calculations which incorporate various key assumptions.

(q) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (ie trade date accounting is adopted). Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to the profit or loss immediately.

Notes to the financial statements (continued)

Note 1. Summary of significant accounting policies (continued)

(q) Financial instruments (continued)

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method or cost.

Fair value represents the amount for which an asset would be exchanged or a liability settled, between knowledgeable willing parties. Where available quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are applied to determine the fair value.

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

(i) Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(ii) Financial liabilities

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

Impairment

At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset is deemed to be impaired if and only if, there is objective evidence of impairment as a result of one or more events (a loss event) having occurred, which has an impact on the estimated future cash flows of the financial asset. In the case of financial assets carried at amortised cost, loss events may include indications that the debtor is experiencing significant financial difficulty, default or delinquency in payments, indications that they will enter bankruptcy or other financial reorganisation and changes in arrears or economic conditions that correlate with defaults.

Derecognition of financial instruments

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Notes to the financial statements (continued)

| | 2013 \$ | 2012 \$ |
|--|------------|------------|
|--|------------|------------|

Note 2. Revenue and other income

Revenue

| | | |
|------------------------|------------------|------------------|
| - services commissions | 1,999,044 | 1,710,568 |
| | 1,999,044 | 1,710,568 |

Other revenue

| | | |
|---------------------|---------------|---------------|
| - interest received | 29,505 | 31,845 |
| - other revenue | 1,707 | 22 |
| | 31,212 | 31,867 |

| | | |
|----------------------|------------------|------------------|
| Total Revenue | 2,030,256 | 1,742,435 |
|----------------------|------------------|------------------|

Note 3. Expenses

Employee benefits expense

| | | |
|-------------------------|----------------|----------------|
| - wages and salaries | 701,748 | 651,377 |
| - workers' compensation | 1,162 | 3,329 |
| - superannuation costs | 62,760 | 57,025 |
| - other costs | 67,419 | 61,135 |
| | 833,089 | 772,866 |

Depreciation of non-current assets:

| | | |
|--------------------------|--------|--------|
| - plant and equipment | 14,064 | 14,166 |
| - property improvements | 17,410 | 17,392 |
| - motor vehicles | 9,920 | 11,341 |
| - furniture and fittings | 2,139 | 2,008 |
| - software | 3,126 | 5,733 |

Amortisation of non-current assets:

| | | |
|---------------------|----------------|----------------|
| - intangible assets | 59,755 | 59,755 |
| | 106,414 | 110,395 |

Finance costs:

| | | |
|-----------------|-------|-------|
| - Interest paid | 4,120 | 3,626 |
| Bad debts | 500 | 516 |

Notes to the financial statements (continued)

| | 2013 \$ | 2012 \$ |
|---|---------------|---------------|
| Note 4. Tax expense | | |
| The prima facie tax on profit/(loss) from ordinary activities before income tax is reconciled to the income tax expense as follows: | | |
| Prima facie tax on profit/(loss) before income tax at 30% (2012: 30%) | 41,760 | 57,790 |
| Add tax effect of: | | |
| - Adjustments in respect of current income tax of previous year | - | - |
| - Deductible expenses | (9,352) | (9,765) |
| - Non-deductible expenses | 19,889 | 19,830 |
| Current income tax expense | 52,297 | 67,855 |
| Income tax attributable to the entity | 52,297 | 67,855 |
| The applicable weighted average effective tax rate is | 38% | 35% |
| Deferred tax liabilities | | |
| Current tax payable | 39,693 | 29,569 |
| Deferred tax payable | 63,685 | 65,862 |
| Deferred tax asset | 21,046 | 17,340 |
| | 82,332 | 78,091 |

The applicable income tax rate is the Australian Federal tax rate of 30% (2012: 30%) applicable to Australian resident companies.

Note 5. Auditors' remuneration

Remuneration of the Auditor for:

| | | |
|---|--------------|--------------|
| - Audit or review of the financial report | 4,607 | 4,527 |
| - Share registry services | 3,902 | 4,889 |
| | 8,509 | 9,416 |

Note 6. Cash and cash equivalents

| | | |
|---------------------------------|------------------|----------------|
| Cash at bank and on hand | 1,086,061 | 937,135 |
|---------------------------------|------------------|----------------|

Notes to the financial statements (continued)

| | 2013 | 2012 |
|--|----------------|----------------|
| | \$ | \$ |
| Note 7. Trade and other receivables | | |
| Current | | |
| Trade debtors | 144,746 | 143,203 |
| Insurance | - | 6,461 |
| Staff Training | 8,460 | 12,440 |
| | 153,206 | 162,104 |

Credit risk

The company has no significant concentration of credit risk with respect to any single counterparty or group of counterparties.

The following table details the company's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as "past due" when the debt has not been settled within the terms and conditions agreed between the company and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the company.

The balances of receivables that remain within initial trade terms (as detailed in the table below) are considered to be high credit quality.

| | Gross amount | Past due and impaired | Past due but not impaired | | | Not past due |
|-------------------|----------------|-----------------------|---------------------------|------------|-----------|----------------|
| | | | < 30 days | 31-60 days | > 60 days | |
| 2013 | | | | | | |
| Trade receivables | 138,115 | - | - | - | - | 138,115 |
| Other receivables | 6,131 | - | - | - | - | 6,131 |
| Total | 144,246 | - | - | - | - | 144,246 |
| 2012 | | | | | | |
| Trade receivables | 135,561 | - | - | - | - | 135,561 |
| Other receivables | 7,642 | - | - | - | - | 7,642 |
| Total | 143,203 | - | - | - | - | 143,203 |

Notes to the financial statements (continued)

| | 2013 \$ | 2012 \$ |
|---|----------------|----------------|
| Note 8. Property, plant and equipment | | |
| Leasehold improvements | | |
| At cost | 422,530 | 422,530 |
| Less accumulated depreciation | (121,072) | (103,662) |
| | 301,458 | 318,868 |
| Plant and equipment | | |
| At cost | 153,779 | 153,779 |
| Less accumulated depreciation | (90,660) | (76,596) |
| | 63,119 | 77,183 |
| Furniture and fittings | | |
| At cost | 22,663 | 15,142 |
| Less accumulated depreciation | (10,262) | (8,123) |
| | 12,401 | 7,019 |
| Motor vehicles | | |
| At cost | 50,384 | 74,432 |
| Less accumulated depreciation | (19,612) | (15,890) |
| | 30,772 | 58,542 |
| Computer software | | |
| At cost | 18,754 | 18,754 |
| Less accumulated depreciation | (17,444) | (14,318) |
| | 1,310 | 4,436 |
| Total written down amount | 409,060 | 466,048 |
| Movements in carrying amounts | | |
| Leasehold improvements | | |
| Balance at the beginning of the reporting period | 318,868 | 334,911 |
| Additions | - | 1,349 |
| Disposals | - | - |
| Depreciation expense | (17,410) | (17,392) |
| Balance at the end of the reporting period | 301,458 | 318,868 |
| Plant and equipment | | |
| Balance at the beginning of the reporting period | 77,183 | 91,349 |
| Additions | - | - |
| Depreciation expense | (14,064) | (14,166) |
| Balance at the end of the reporting period | 63,119 | 77,183 |

Notes to the financial statements (continued)

| | 2013 \$ | 2012 \$ |
|---|---------------|---------------|
| Note 8. Property, plant and equipment (continued) | | |
| Furniture and fittings | | |
| Balance at the beginning of the reporting period | 7,019 | 9,027 |
| Additions | 7,521 | - |
| Depreciation expense | (2,139) | (2,008) |
| Balance at the end of the reporting period | 12,401 | 7,019 |
| Motor vehicles | | |
| Balance at the beginning of the reporting period | 58,542 | 54,474 |
| Additions | - | 27,312 |
| Disposals | (17,850) | (11,903) |
| Depreciation expense | (9,920) | (11,341) |
| Balance at the end of the reporting period | 30,772 | 58,542 |
| Computer software | | |
| Balance at the beginning of the reporting period | 4,436 | 10,169 |
| Additions | - | - |
| Disposals | - | - |
| Depreciation expense | (3,126) | (5,733) |
| Balance at the end of the reporting period | 1,310 | 4,436 |

Note 9. Intangible assets

Franchise fee

| | | |
|-------------------------------|---------------|---------------|
| At cost | 123,696 | 123,696 |
| Less accumulated amortisation | (99,042) | (74,303) |
| | 24,654 | 49,393 |

Preliminary expenses

| | | |
|-------------------------------|---------------|---------------|
| At cost | 175,101 | 175,101 |
| Less accumulated amortisation | (139,903) | (104,887) |
| | 35,198 | 70,214 |

Borrowing costs

| | | |
|-------------------------------|------------|------------|
| At cost | 525 | 734 |
| Less accumulated amortisation | (357) | (202) |
| | 168 | 532 |

| | | |
|--------------------------------|---------------|----------------|
| Total Intangible assets | 60,020 | 120,139 |
|--------------------------------|---------------|----------------|

Notes to the financial statements (continued)

| | 2013 \$ | 2012 \$ |
|---|---------------|---------------|
| Note 9. Intangible assets (continued) | | |
| Movements in carrying amounts | | |
| Franchise fee | | |
| Balance at the beginning of the reporting period | 49,393 | 74,132 |
| Additions | - | - |
| Disposals | - | - |
| Amortisation expense | (24,739) | (24,739) |
| Balance at the end of the reporting period | 24,654 | 49,393 |
| Preliminary expenses | | |
| Balance at the beginning of the reporting period | 70,214 | 105,230 |
| Additions | - | - |
| Disposals | - | - |
| Amortisation expense | (35,016) | (35,016) |
| Balance at the end of the reporting period | 35,198 | 70,214 |
| Borrowing costs | | |
| Balance at the beginning of the reporting period | 532 | 384 |
| Additions | - | 396 |
| Disposals | (69) | - |
| Amortisation expense | (106) | (248) |
| Balance at the end of the reporting period | 357 | 532 |

Note 10. Trade and other payables

Current

Unsecured liabilities:

| | | |
|------------------------------|---------------|---------------|
| Trade creditors | 8,597 | 4,498 |
| Other creditors and accruals | 61,858 | 70,255 |
| | 70,455 | 74,753 |

Notes to the financial statements (continued)

| | 2013 \$ | 2012 \$ |
|----------------------------|---------------|---------------|
| Note 11. Borrowings | | |
| Current | | |
| Chattel mortgage | 11,824 | 17,304 |
| | 11,824 | 17,304 |
| Non-current | | |
| Chattel mortgage | 13,215 | 40,426 |
| | 13,215 | 40,426 |

Note 12. Provisions

| | | |
|--------------------------------------|----------------|---------------|
| Dividend payable | 94,337 | 44,662 |
| Employee benefits | 56,671 | 48,255 |
| | 151,008 | 92,917 |
| Movement in employee benefits | | |
| Opening balance | 48,255 | 49,877 |
| Additional provisions recognised | 8,416 | - |
| Amounts utilised during the year | - | (1,622) |
| Closing balance | 56,671 | 48,255 |
| Current | | |
| Annual leave | 37,576 | 31,598 |
| | 37,576 | 31,598 |
| Long-service leave | 19,095 | 16,657 |
| | 19,095 | 16,657 |
| Total provisions | 56,671 | 48,255 |

Provision for employee benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience the company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

Notes to the financial statements (continued)

| | 2013 \$ | 2012 \$ |
|---|------------------|------------------|
| Note 13. Share capital | | |
| 650,011 Ordinary shares fully paid of \$1 each | 650,011 | 650,011 |
| Bonus 1 for 10 shares issued for no consideration | - | - |
| 436,498 Ordinary shares fully paid issued for Cowes branch | 436,498 | 436,498 |
| 337,230 Ordinary shares fully paid issued for Grantville branch | 337,230 | 337,230 |
| Less: Equity raising costs | (7,813) | (7,813) |
| | 1,415,926 | 1,415,926 |
| Movements in share capital | | |
| Fully paid ordinary shares: | | |
| At the beginning of the reporting period | 1,415,926 | 1,415,926 |
| Shares issued during the year | - | - |
| At the end of the reporting period | 1,415,926 | 1,415,926 |

Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held. At the shareholders' meetings each shareholder is entitled to one vote when a poll is called, or on a show of hands.

The company does not have authorised capital or par value in respect of its issued shares. All issued shares are fully paid. All shares rank equally with regard to the company's residual assets.

Capital management

The Board's policy is to maintain a strong capital base so as to sustain future development of the company.

The Board of Directors monitor the return on capital and the level of dividends to shareholders. Capital is represented by total equity as recorded in the Statement of Financial Position.

In accordance with the franchise agreement, in any 12 month period, the funds distributed to shareholders shall not exceed the Distribution Limit.

(i) the Distribution Limit is the greater of:

(a) 20% of the profit or funds of the Franchisee otherwise available for distribution to shareholders in that 12 month period; and

(b) subject to the availability of distributable profits, the Relevant Rate of Return multiplied by the average level of share capital of the Franchisee over that 12 month period; and

(ii) the Relevant Rate of Return is equal to the weighted average interest rate on 90 day bank bills over that 12 month period plus 5%.

The Board is managing the growth of the business in line with this requirement. There are no other externally imposed capital requirements, although the nature of the company is such that amounts will be paid in the form of charitable donations and sponsorship. Charitable donations and sponsorship paid for the year ended 30 June 2013 can be seen in the Statement of Profit or Loss and Comprehensive Income.

There were no changes in the company's approach to capital management during the year.

Notes to the financial statements (continued)

| | 2013 \$ | 2012 \$ |
|--|-----------------|-----------------|
| Note 14. Retained earnings/(accumulated losses) | | |
| Balance at the beginning of the reporting period | (33,991) | (69,445) |
| Profit/(loss) after income tax | 86,902 | 124,778 |
| Dividends paid or proposed | (89,324) | (89,324) |
| Balance at the end of the reporting period | (36,413) | (33,991) |

Note 15. Statement of cash flows

(a) Cash and cash equivalents balances as shown in the statement of financial position can be reconciled to that shown in the statement of cash flows as follows

| | | |
|--|------------------|----------------|
| As per the statement of financial position | 1,086,061 | 937,135 |
| less Bank overdraft | - | - |
| As per the statement of cash flow | 1,086,061 | 937,135 |

(b) Reconciliation of profit / (loss) after tax to net cash provided from/(used in) operating activities

| | | |
|---|----------------|----------------|
| Profit / (loss) after income tax | 86,902 | 124,778 |
| Non cash items | | |
| - Depreciation | 46,659 | 50,641 |
| - Net (profit)/loss from sale of plant & equipment | (740) | 5,084 |
| - Amortisation | 59,755 | 59,755 |
| Changes in assets and liabilities | | |
| - (Increase) decrease in receivables / prepayments | 8,898 | (45,800) |
| - (Increase) decrease in deferred tax liabilities | (5,883) | 13,724 |
| - (Increase) decrease in income tax payable | 10,124 | 30,459 |
| - Increase (decrease) in payables | (4,298) | 27,341 |
| - Increase (decrease) in provisions | 58,091 | (1,624) |
| Net cash flows from/(used in) operating activities | 259,508 | 264,358 |

(c) Credit standby arrangement and loan facilities

The company has a bank overdraft and commercial bill facility amounting to \$Nil (2012: \$Nil).

Notes to the financial statements (continued)

Note 16. Related party transactions

The company's main related parties are as follows:

(a) Key management personnel

Any person(s) having authority or responsibility for planning, directing or controlling the activities of the entity, directly or indirectly including any Director (whether executive or otherwise) of that company is considered key management personnel.

(b) Other related parties

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel, individually or collectively with their close family members.

(c) Transactions with key management personnel and related parties

Other than detailed below, no key management personnel or related party has entered into any contracts with the company. No Director fees have been paid as the positions are held on a voluntary basis. Newhaven Hardware & Plant Hire, of which Terry Ashenden is a partner, received \$3,600 (2012: \$3,600) in respect of the lease and associated outgoings for the office space for San Remo District Financial Services Limited.

Joan Matthews is a Director of and Shareholder in Park Accommodation (Vic) Pty Ltd, which owns the premises situated at 103A Marine Parade, San Remo. The company has entered into a lease arrangement with Park Accommodation (Vic) Pty Ltd with regard to these premises. During the year ended 30 June 2013 \$27,541 (2012: \$27,418) was paid in relation to this lease.

The San Remo Financial Services Limited has not accepted the Bendigo & Adelaide Bank Limited's **Community Bank**[®] Directors Privileges package. The package is available to all Directors who can elect to avail themselves of the benefits based on their personal banking with the branch. There is no requirement to own Bendigo & Adelaide Bank Ltd shares and there is no qualification period to qualify to utilize the benefits. The package mirrors the benefits currently available to Bendigo and Adelaide Bank Limited shareholders.

(d) Key management personnel shareholdings

The number of ordinary shares in San Remo District Financial Services Limited held by each key management personnel of the company during the financial year is as follows:

| | 2013 | 2012 |
|-------------------|--------|--------|
| Terry Ashenden | 22,751 | 32,751 |
| Joan Matthews | 17,801 | 17,801 |
| Miranda Sage | 7,500 | 7,500 |
| Caroline Talbot | 3,200 | 3,200 |
| Janice Rowlingson | 9,900 | 9,900 |
| Bruce Procter | 1,000 | 1,000 |
| Craig Semple | 8,000 | 8,000 |
| Kathy Jones | 1,100 | 1,100 |

Notes to the financial statements (continued)

Note 16. Related party transactions (continued)

(d) Key management personnel shareholdings (continued)

| | 2013 | 2012 |
|-----------------|-------------|-------------|
| Patrick Russell | 2,000 | 2,000 |
| Dorene Blum | 600 | 600 |
| Anothy Zoanetti | 500 | 500 |
| Peter Paul | 11,650 | 11,650 |

The only movement in key management personnel shareholdings during the year was a decrease of 10,000 to Terry Ashenden. Each share held has a paid up value of \$1 and is fully paid.

(e) Other key management transactions

There has been no other transactions involving equity instruments other than those described above.

Note 17. Events after the reporting period

There have been no events after the end of the financial year that would materially affect the financial statements.

Note 18. Contingent liabilities and assets

There were no contingent liabilities or assets at the date of this report to affect the financial statements.

Note 19. Operating segments

The company operates in the financial services sector where it provides banking services to its clients. The company operates in one geographic area being San Remo and District, Victoria. The company has a franchise agreement in place with Bendigo and Adelaide Bank Limited who account for 100% of the revenue (2012: 100%).

Note 20. Company details

The registered office & principle place of business is: 103A Marine Parade
San Remo VIC 3925

Notes to the financial statements (continued)

| | 2013 \$ | 2012 \$ |
|--|------------|------------|
|--|------------|------------|

Note 21. Earnings per share

Basic earnings per share amounts are calculated by dividing profit / (loss) after income tax by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing profit / (loss) after income tax by the weighted average number of ordinary shares outstanding during the year (adjusted for the effects of any dilutive options or preference shares).

The following reflects the income and share data used in the basic and diluted earnings per share computations:

| | | |
|--|------------------|------------------|
| Profit/(loss) after income tax expense | 86,902 | 124,778 |
| Weighted average number of ordinary shares for basic and diluted earnings per share | 1,488,739 | 1,488,739 |

Note 22. Dividends paid or provided for on ordinary shares

a) Dividends paid during the year

| | | |
|--|---|---------------|
| Unfranked dividends - 0 cents per share (2012: 3 cents per share) | - | 44,662 |
|--|---|---------------|

b) Dividends provided for during the year

| | | |
|--|---------------|---------------|
| Franked dividends - 6 cents per share (2012: 3 cents per share) | 89,324 | 44,662 |
|--|---------------|---------------|

The amount of franking credits available for the subsequent financial year are:

| | | |
|---|---------------|---------------|
| - Franking account balance as at the end of the financial year | 83,654 | 54,740 |
| - Franking debits that will arise as a result of the franked dividend proposed at the end of the financial year | (38,282) | (19,141) |
| - Franking debits that will arise from the refund of income tax as at the end of the financial year | - | - |
| | 45,372 | 35,599 |

Notes to the financial statements (continued)

Note 23. Financial risk management

The company's financial instruments consist mainly of deposits with banks, account receivables and payables, bank overdraft and loans. The totals for each category of financial instruments measured in accordance with AASB 139 as detailed in the accounting policies are as follows:

| | Note | 2013 \$ | 2012 \$ |
|------------------------------------|------|------------------|------------------|
| Financial assets | | | |
| Cash & cash equivalents | 6 | 1,086,061 | 937,135 |
| Trade and other receivables | 7 | 153,206 | 143,203 |
| Total financial assets | | 1,239,267 | 1,080,338 |
| Financial liabilities | | | |
| Trade and other payables | 10 | 70,455 | 74,753 |
| Loans & borrowings | 11 | 25,039 | 57,730 |
| Total financial liabilities | | 95,494 | 132,483 |

Financial risk management policies

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board has established an Audit Committee which reports regularly to the Board. The Audit Committee is assisted in the area of risk management by an internal audit function.

Specific financial risk exposure and management

The company has exposure to credit risk, liquidity risk and market risk from their use of financial instruments. There have been no substantive changes in the types of risks the company is exposed to, how the risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

(a) Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. For the company it arises from receivables and cash assets.

Credit risk is managed through maintaining procedures that ensure, to the extent possible, that clients and counterparties to transactions are of sound credit worthiness and their financial stability is monitored and assessed on a regular basis. Such monitoring is used in assessing receivables for impairment. Credit terms for normal fee income are generally 30 days from the date of invoice. For fees with longer settlements, terms are specified in the individual client contracts. In the case of loans advanced, the terms are specific to each loan.

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying amount and classification of those financial assets as presented in the statement of financial position.

The company's exposure to credit risk is limited to Australia by geographic area. The majority of receivables are due from Bendigo and Adelaide Bank Limited.

None of the assets of the company are past due (2012: nil past due) and based on historic default rates, the company believes that no impairment allowance is necessary in respect of assets not past due.

The company limits its exposure to credit risk by only investing in liquid securities with Bendigo and Adelaide Bank Limited and therefore credit risk is considered minimal.

Notes to the financial statements (continued)

| | 2013 \$ | 2012 \$ |
|--|------------|------------|
|--|------------|------------|

Note 23. Financial risk management (continued)

(a) Credit risk (continued)

Cash and cash equivalents:

| A rated | 1,086,061 | 937,135 |
|---------|-----------|---------|
|---------|-----------|---------|

(b) Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company ensures it will have enough liquidity to meet its liabilities when due under both normal and stressed conditions. Liquidity management is carried out within the guidelines set by the Board.

Typically, the company maintains sufficient cash on hand to meet expected operational expenses, including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

In addition the company has established an overdraft facility of \$Nil with Bendigo & Adelaide Bank Limited.

Financial liability and financial asset maturity analysis:

| | Note | Total \$ | Within 1 year \$ | 1 to 5 years \$ | Over 5 years \$ |
|---|------|------------------|---------------------|--------------------|--------------------|
| 30 June 2013 | | | | | |
| Financial liabilities due | | | | | |
| Trade and other payables | 10 | 70,455 | 70,455 | - | - |
| Loans and borrowings | 11 | 25,039 | 11,824 | 13,215 | - |
| Total expected outflows | | 95,494 | 82,279 | 13,215 | - |
| Financial assets - realisable | | | | | |
| Cash & cash equivalents | 6 | 1,086,061 | 1,086,061 | - | - |
| Trade and other receivables | 7 | 153,206 | 153,206 | - | - |
| Total anticipated inflows | | 1,239,267 | 1,239,267 | - | - |
| Net (outflow)/inflow financial instruments | | 1,143,773 | 1,156,988 | (13,215) | - |

Notes to the financial statements (continued)

Note 23. Financial risk management (continued)

(b) Liquidity risk (continued)

| | Note | Total \$ | Within 1 year \$ | 1 to 5 years \$ | Over 5 years \$ |
|---|------|------------------|---------------------|--------------------|--------------------|
| 30 June 2012 | | | | | |
| Financial liabilities due | | | | | |
| Trade and other payables | 10 | 74,753 | 74,753 | - | - |
| Loans and borrowings | 11 | 57,730 | 17,304 | 40,426 | - |
| Total expected outflows | | 132,483 | 92,057 | 40,426 | - |
| Financial assets - realisable | | | | | |
| Cash & cash equivalents | 6 | 937,135 | 937,135 | - | - |
| Trade and other receivables | 7 | 143,203 | 143,203 | - | - |
| Total anticipated inflows | | 1,080,338 | 1,080,338 | - | - |
| Net (outflow)/inflow financial instruments | | 947,855 | 988,281 | (40,426) | - |

* The Bank overdraft has no set repayment period and as such all has been included as current.

(c) Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company reviews the exposure to interest rate risk as part of the regular Board meetings.

The weighted average interest rates of the company's interest-bearing financial assets are as follows:

Financial assets

| | 2013 % | 2012 % |
|--|------------------|------------------|
| Cash and cash equivalents (net of bank overdrafts) | 4% | 5% |

Sensitivity analysis

The following table illustrates sensitivities to the company's exposures to changes in interest rates and equity prices. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

Notes to the financial statements (continued)

Note 23. Financial risk management (continued)

(c) Market risk (continued)

Sensitivity analysis (continued)

These sensitivities assume that the movement in a particular variable is independent of other variables.

| | Profit \$ | Equity \$ |
|--|----------------------|----------------------|
| Year ended 30 June 2013 | | |
| +/- 1% in interest rates (interest income) | 10,610 | 10,610 |
| | 10,610 | 10,610 |
| Year ended 30 June 2012 | | |
| +/- 1% in interest rates (interest income) | 8,794 | 8,794 |
| | 8,794 | 8,794 |

The company has no exposure to fluctuations in foreign currency.

(d) Price risk

The company is not exposed to any material price risk.

Fair values

The fair values of financial assets and liabilities approximate the carrying values as disclosed in the Statement of Financial Position. Fair value is the amount at which an asset could be exchanged, or liability settled, between knowledgeable, willing parties in an arm's length transaction. The company does not have any unrecognised financial instruments at year end.

Directors' declaration

In accordance with a resolution of the Directors of San Remo District Financial Services Limited, the Directors of the company declare that:

- 1 the financial statements and notes of the company as set out on pages 14 to 39 are in accordance with the Corporations Act 2001 and:
 - (i) comply with Australian Accounting Standards, which as stated in accounting policy Note 1(a) to the financial statements constitutes compliance with International Financial Reporting Standards (IFRS); and
 - (ii) give a true and fair view of the company's financial position as at 30 June 2013 and of the performance for the year ended on that date;
- 2 in the Directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



Terry Ashenden
Director

Signed at San Remo, Victoria on 12 September 2013.

Independent audit report



Level 2, 19-16 Forest Street
Bendigo, Victoria
PO Box 20, Bendigo, VIC 3552

Telephone: (03) 5445 4200
Fax: (03) 5444 4344
Email: rsd@rsdadvisors.com.au
www.rsdadvisors.com.au

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAN REMO DISTRICT FINANCIAL SERVICES LIMITED

Report on the Financial Report

We have audited the accompanying financial report of San Remo District Financial Services Limited, which comprises the statement of financial position as at 30 June 2013, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the 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 of the company at the year's end.

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 and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards (IFRS).

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 judgement, 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 in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. 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.

Independent audit report (continued)

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 San Remo District Financial Services Limited, would be in the same terms if provided to the directors as at the time of this auditor's report.

Auditor's Opinion

In our opinion:

- (a) the financial report of San Remo District Financial Services Limited is in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2013 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- (b) the financial report also complies with the International Financial Reporting Standards as disclosed in Note 1.

Report on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2013. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion, the remuneration report of San Remo Financial Services Limited for the year ended 30 June 2013, complies with section 300A of the Corporations Act 2001.

RICHMOND SINNOTT & DELAHUNTY
Chartered Accountants


P. P. Delahunty
Partner

Dated at Bendigo, 12 September 2013

NSX report

San Remo District Financial Services Limited is a public company incorporated in Australia and listed on the National Stock Exchange of Australia (NSX).

Shareholding

The following table shows the number of shareholders, broken into various categories showing the total number of shares held.

| Number of shares held | Number of shareholders | Number of shares held |
|---------------------------|------------------------|-----------------------|
| 1 to 1,000 | 353 | 215,555 |
| 1,001 to 5,000 | 249 | 557,083 |
| 5,001 to 10,000 | 62 | 411,151 |
| 10,001 to 100,000 | 18 | 304,950 |
| 100,001 and over | 0 | 0 |
| Total shareholders | 682 | 1,488,739 |

Equity securities

Each of the above shareholders are entitled to 1 vote, irrespective of the number of shares held.

There are no substantial shareholders (holding more than 5% of voting rights) as each shareholder is entitled to 1 vote. Normally holding more than 5% of total issued shares would create a substantial shareholder, but this is not applicable due to the voting restrictions for the company.

There are 18 shareholders holding less than a marketable parcel of shares (\$500 in value).

There are no restricted securities on issue.

All shares on issue are ordinary shares fully paid to \$1 per share. There are no unquoted equity securities.

Ten largest shareholders

The following table shows the 10 largest shareholders.

| Shareholder | Number of fully paid shares held | Percentage of issued capital |
|---|----------------------------------|------------------------------|
| Bass Coast Shire Council | 40,000 | 2.68 |
| Northern Suburbs Secretarial Services P/L as trustee for <Juleton a/c> | 38,000 | 2.55 |
| Thomas Leigh P/L as trustee for <The Waring Family Superannuation Fund> | 25,000 | 1.67 |
| Morgeo Nominees Pty Ltd | 21,000 | 1.41 |
| Glenville Nominees P/L as trustee for <Bruangil Park a/c> | 20,000 | 1.34 |
| Winpar Holdings Limited | 20,000 | 1.34 |
| Head Station Property Trust | 15,000 | 1 |
| Phillip Island RSL Sub Branch Pty Ltd | 15,000 | 1 |

NSX report (continued)

Ten largest shareholders (continued)

| Shareholder | Number of fully paid shares held | Percentage of issued capital |
|---|----------------------------------|------------------------------|
| Dawn J Ashenden | 12,500 | 0.83 |
| Carrmara P/L as trustee for <Mcnamara-Carroll Superannuation Fund a/c> | 11,100 | 0.84 |
| | 217,600 | 1,488,739 |

Registered office and principal administrative office

The registered office of the company is located at: 103a Marine Parade, San Remo VIC 3925
Phone: (03) 5956 7658

The principal administrative office of the company is located at: 34 Boys Home Road, Newhaven VIC 3925
Phone: (03) 5956 7658

Security register

The security register (share register) is kept at: 10-16 Forest Street, Bendigo VIC3550
Phone: (03) 5445 4200

Company Secretary

Leonie Gardiner has been the Company Secretary of San Remo District Financial Services Limited for 2 1/2 years. Leonies' qualifications and experience include 25 years office administration.

Corporate governance

The company has implemented various corporate governance practices, which include:

- The establishment of an Audit Committee. Members of the Audit Committee are Terry Ashenden, Janice Rowlingson, Miranda Sage, Tony Zoanetti, Michael Scott, Peter Wayman and Trudy Jamieson
- Director approval of operating budgets and monitoring of progress against these budgets;
- Ongoing Director training; and
- Monthly Director meetings to discuss performance and strategic plans.

Annexure 3

There are no material differences between the information in the company's Annexure 3 and the information in the financial documents in its Annual Report.

5-Year summary of performance

| | 2009 \$ | 2010 \$ | 2011 \$ | 2012 \$ | 2013 \$ |
|-----------------------|------------|------------|------------|------------|------------|
| Gross revenue | 762,541 | 1,095,806 | 1,404,413 | 1,742,435 | 2,030,256 |
| Net profit before tax | 3,483 | 98,668 | 95,297 | 192,633 | 139,199.00 |
| Total assets | 1,015,031 | 1,114,957 | 1,526,957 | 1,685,426 | 1,729,393 |
| Total liabilities | 99,329 | 151,601 | 180,476 | 303,491 | 349,880 |
| Total equity | 915,702 | 963,356 | 1,346,481 | 1,381,935 | 1,379,513 |



San Remo District **Community Bank**[®] Branch
 103A Marine Parade, San Remo VIC 3925
 Phone: (03) 5678 5833
www.bendigobank.com.au/san_remo

Cowes **Community Bank**[®] Branch
 Shop 1, 209-213 Settlement Road, Cowes VIC 3922
 Phone: (03) 5952 3383
www.bendigobank.com.au/cowes

Grantville & District **Community Bank**[®] Branch
 Shop 2, 1503 Bass Highway, Grantville VIC 3984
 Phone: (03) 5678 8773
www.bendigobank.com.au/grantville

Franchisee:
 San Remo District Financial Services Limited
 PO Box 101, San Remo VIC 3925
 Phone: (03) 5956 7658
 ABN: 20 102 770 150

www.bendigobank.com.au
 (BMPAR13043) (08/13)

