



COOLUM CIVIC CENTRE

Annual Report 2015

Sunshine Coast Community
Financial Services Limited

ABN 12 100 576 261

Cooroy **Community Bank**[®] Branch
Marcoola **Community Bank**[®] Branch
Tewantin **Community Bank**[®] Branch

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Chairman's report

For year ending 30 June 2015



Our vision

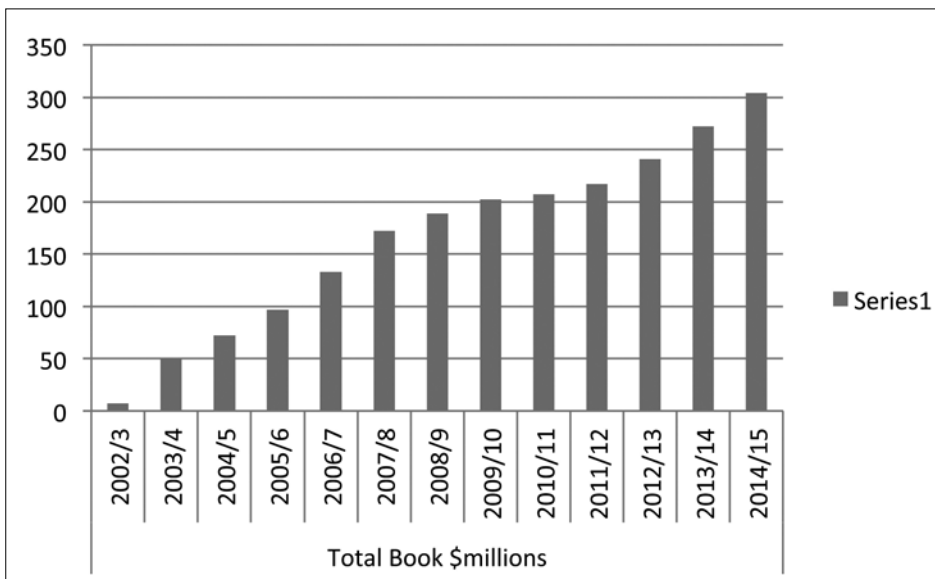
To be the best customer connected local bank providing profitable customer services which deliver shareholder value and an ever increasing funding source used to improve and empowerment our local communities.

Year ending 30 June 2015

This report is not dissimilar to the previous 2013/14 financial year in that we yet again recorded substantial growth in our book, our revenue, and our customer accounts, yet profits on that growth were elusive but never the less improved.

The book grew some \$32 million which was the biggest growth margin since 2006/07 - some nine years previous. The book is primarily the sum of our loans and deposits. The following chart shows the book growth which pleasingly shows business growth in every year since start up.

Book growth chart



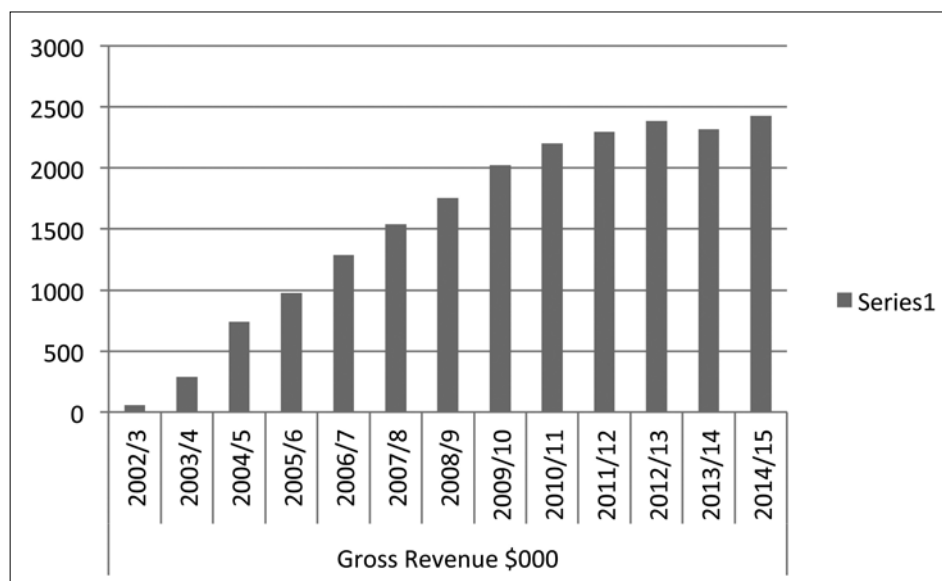
Revenue growth

Australia is still experiencing a low interest environment which challenges margin yields for all banks including ours. These continuing reduced margins have adversely impacted our revenue for some time. The other major contributing factor was the re-alignment of all **Community Bank**[®] margin incomes to fairer 50/50 split with Bendigo and Adelaide Bank in 2013/14. The previous margin split model was seen to be unfairly skewed towards **Community Bank**[®] companies.

I am pleased to report that our revenue did grow to \$2.429 million which was an increase of \$114,298 or 4.93% - our highest ever reported revenue.

Chairman's report (continued)

Revenue growth chart



Profit

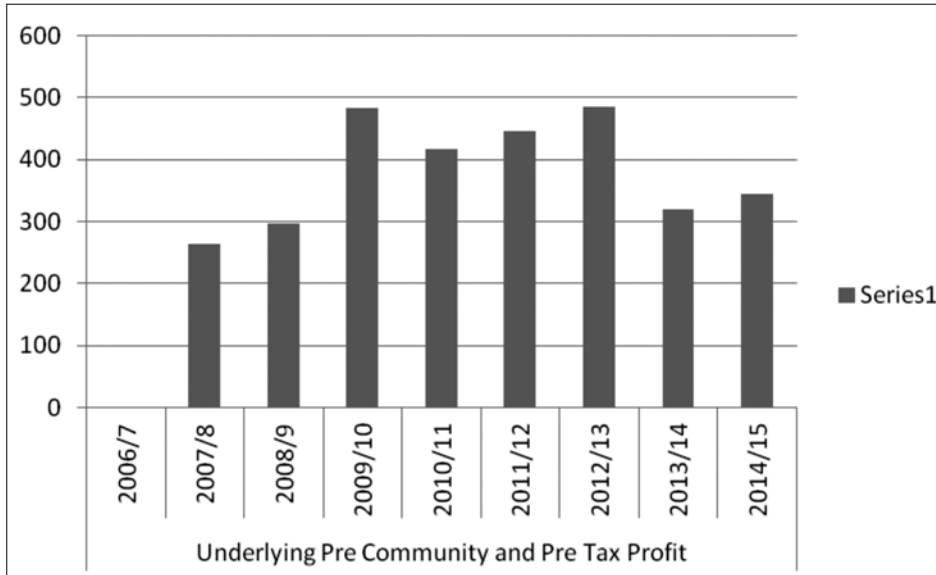
Profit before Tax was \$211,547. See chart below. As predicted in the last Annual Report, this was a profit increase on the previous year of \$50,587 – an increase of 31.4%. The company has now delivered its eighth profit year in a row while continuing to provide substantial community benefits.

Profit history								
	2014/15 \$	2013/14 \$	2012/13 \$	2011/12 \$	2010/11 \$	2009/10 \$	2008/09 \$	2007/08 \$
Profit pre tax and community benefit	340,019	320,325	486,123	446,309	418,018	482,745	297,085	263,924
Profit before tax	211,547	160,765	288,234	226,192	326,876	396,541	251,811	254,749
Profit after tax	146,763	110,863	199,904	154,974	224,514	279,029	169,294	171,583
Earnings per share	8.61 cents	6.51 cents	11.73 cents	9.09 cents	13.17 cents	16.37 cents	9.93 cents	10.07 cents

Chairman's report (continued)

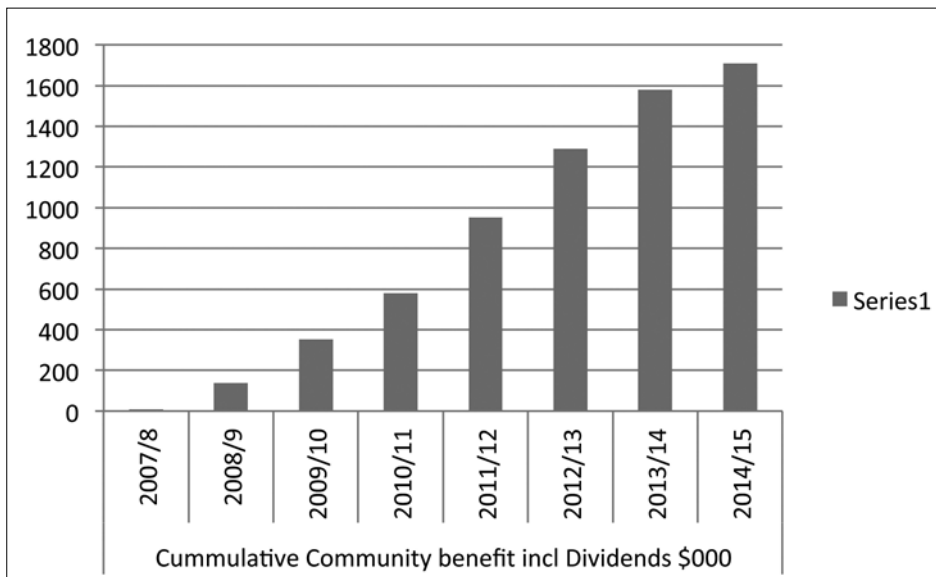
Underlying profit

This is the profit before community benefits and tax and was \$340,019. This was also an increase on the previous year but still below the profits when interest rates and margins were higher.



Cumulative community benefit including shareholder dividends

The chart below shows our Cumulative Community Benefit to be nearly \$1.709 million. It really shows what a difference a **Community Bank**® company can make in providing local financial support.



Chairman's report (continued)

Community support

During the year we provided funding to around 50 organisations in our region. Successful recipients included schools, community events, community groups, the arts, charities and sporting clubs.

This year we are partnering with the Gympie **Community Bank**[®] Branch to support the new Life Education Van which visits schools all over the region.

Each year we assist a local Noosa District High School student with a major scholarship. The successful high school graduate receives a \$10,000 support package over a two-year period to enable them to attend university. It is a rigorous process to be chosen and only the most deserving student is ultimately selected.

Through the local primary schools in Tewantin, Cooroy and Pacific Paradise, we have again partnered with the Rotary Clubs of Noosa, and Cooroy to collect hundreds of shoe boxes filled with stationary and a gift for students who attend a disadvantaged school in East Timor. We congratulate all the students on a fantastic effort this year with over 1,600 collected.

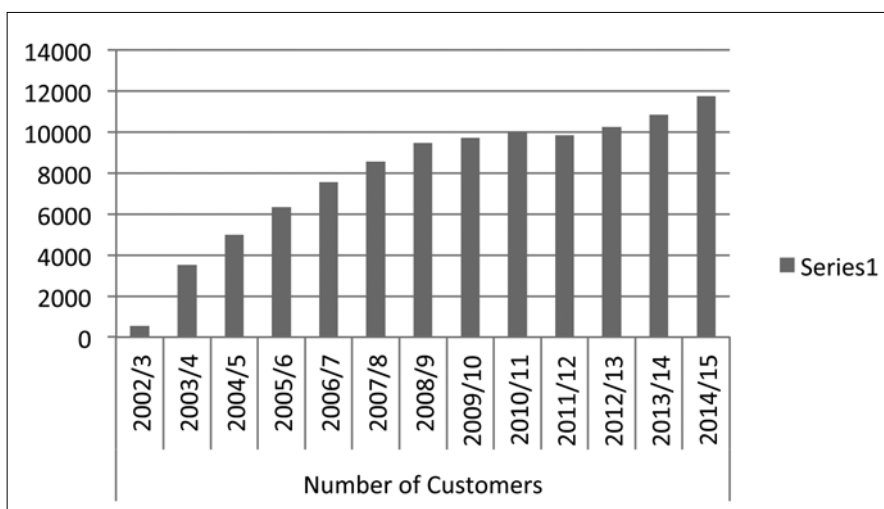
Congratulations to our Marcoola Manager Judy Blackall. She seized the initiative with a brand new bank product called Micro Loans, to be the first **Community Bank**[®] branch in Australia to provide security free low value loans to allow less advantaged students at a local High School to purchase new iPad tablets.

At our last North Shore Community Forum, the need to upgrade the Coolum Civic Centre facilities was clearly identified. We are delighted to announce that we are partnering with the Sunshine Coast Council in providing a \$50,000 support package over four years to support this multi-million dollar community investment which most likely would not have proceeded without our commitment.

Our communities in Tewantin and Cooroy have in the past already enjoyed the benefits of infrastructure partnering with Council so this time it was a reward for the Coolum Customers of our Marcoola **Community Bank**[®] Branch to enjoy the benefit of supporting a local **Community Bank**[®] branch.

Number of customers continuing to grow

As at 30 June 2015, the company was proud to serve a base of 11,752 customer accounts which was an increase of 8.5% over the previous year and the largest increase since 2008/09. Not only are we striving to grow our customer base, but we continually aim to increase the number of products for each customer as well.



Chairman's report (continued)

Pomona

The Board was proud to announce the opening of our stand alone agency with its own ATM in Pomona last April. It was officially opened by Noosa Mayor, Noel Playford. The agency has appointed experienced bank teller staff, and is also manned by a senior staff member from our Cooroy **Community Bank**[®] Branch as well. Initially the agency will be open on Monday, Wednesday and Friday from 10.00am to 3.00pm. We have been encouraged by the level of support so far and as at the end of June there was already \$6 million on the book and 252 customer accounts - both increasing steadily.

This stand alone agency model, staffed also by a Bendigo Branch staff member as previously mentioned, was a new concept for the Bendigo and Adelaide Bank where previous agencies were more typically housed within an existing host business. We were pleased to be able to deliver this innovative model which might now be adopted elsewhere in the network if successful. So far so good!



Above (l-r): Stacey Watts, Pam Hoens, Glenda Burns and Geoff Edwards.

School student banking

High praise must be given to the corporate staff of Bendigo and Adelaide Bank in Queensland for being able to successfully tender for the right offer student banking services throughout Queensland. Previously this was a monopoly contract with only one major banks having the right to school student banking. Now that we are one of only two successful providers within Queensland, we are successfully working with local schools to offer our services. We have been particularly pleased with the response to our package and already many new student accounts have been opened. We have heard that surveys have shown that 40% of school student customers tend stay with their school banking provider.

Branch performance

Our Cooroy **Community Bank**[®] Branch was announced as Sunshine Coast 'Branch of the Year' in our annual awards held recently. This is a great credit to Cooroy's Manager, Geoff Edwards and his staff. On behalf of the Board I again offer my thanks to Geoff and well as to Wayne Hoens and Judy Blackall and their staff for all their hard work and loyalty in growing the business over the last 12 months.

Marketing and PR

We hope you have noticed all the wonderful community stories regularly appearing in the local papers and on local TV and radio, on occasion. Our Community Connection and Marketing Manager, Ian Williams can be thanked for keeping our PR and media profile so high and keeping you informed of our community projects. He is also very active in sponsorship liaison and community support as well. Thank you Ian, for a job well done.

Chairman's report (continued)

Internet and social media

Our Social Media Co-ordinator, Danielle Taylor is continuing to achieve outstanding results in the growth of our Facebook page-likes, our website visits and our email newsletters. At last count our Facebook likes were all ranked in the Top 10 out of 310 **Community Bank**[®] branches Australia wide. Whilst it is difficult to assess the business growth attributable to Facebook, social media is a space in which we have to play and it does provide a customer and community connection vital to our success.

Our website at wegiveback.com.au (or sccfsl.com.au) has now had nearly 3,500 unique visitors with over 7,000 visits and 59,000 hits. All our community stories are loaded onto this site so please log in anytime and see what we are up to in your community, so thank you, Danielle.

Conclusion

I realise I am repeating this from last year but I would like to offer my personal thanks to our volunteer Board Directors who, together with their subcommittee responsibilities, continue to donate their time expertise and energy so generously and unselfishly year after year.

Additionally, I would like to thank our student Board Observer Chloe Baré from Noosa District High School, and Mitchell Burton from Coolum State High for their attendance and contribution. It is rare that high school students have the chance to participate in the Board meetings of a publicly listed company and we hope that the experience gained attending our Board meetings really helps in their chosen careers.

Additionally I would like to thank our Regional Manager, Rob Chittick and his staff, and the Business Banking Team for their continued support during the year. Our thanks go to the myriad of other Bendigo and Adelaide Bank corporate staff who have also assisted and advised throughout the year.

I do thank the local press who have been very supportive of our **Community Bank**[®] model and the ongoing benefits it provides to our communities.

Most importantly the Board wishes to thank you, our shareholders and customers, for your ongoing support.



Rick Cooper
Chairman

Cooroy Manager's report



Geoff Edwards (left) is joined outside the branch by Pam Hoens, Karl Doss, Sheena Bartlett, David Lafferty and Barbara Schilds.

For year ending 30 June 2015

There is no doubt that 2015 year will go down as one of the most successful for the Cooroy **Community Bank**[®] Branch.

I recall last year singing the praises of my team for contributing to a very successful 2014, where we reached a milestone of \$100 million in footings – a growth of some \$5 million. This year we surpassed all expectations and successfully grew the book by a further \$21 million. As at 30 June 2015, the branch's sustainable and profitable footings stands at \$122 million.

As a result of this exponential growth, our customer base for the 12 months has grown by around 600 new customers.

This great result is testament to the staff who continued to provide excellent service to our customers over the year and I must congratulate each and every one of them for their efforts.

These achievements culminated in Cooroy **Community Bank**[®] Branch winning 'Branch of the Year' for the Sunshine Coast Region.

Staff movements through the year saw the loss of Mark Gielis who was promoted to a Customer Relationship Officer position at Woombye in July 2014, and the transfer of Sheena Bartlett to Caloundra late 2014. Karl Doss has been promoted to the branch's second Customer Relationship Officer. Karl is a quite achiever to say the least and his promotion has seen him grow from strength to strength. Resulting from these movements we have now two new staff members.

David Lafferty is our Customer Service Officer who started in January 2015 and Carmen Heisrath as our Senior Customer Service Officer who started in May 2015. Both David and Carmen have come from non-banking backgrounds and have brought with them years of experience in their own fields. They have also brought a fresh and revitalising energy to our branch and have both been received exceptionally well by our customers and other members of our Cooroy **Community Bank**[®] Branch team.

Cooroy Manager's report (continued)

It goes without saying that my second in charge, Pam Hoens has been instrumental in the success of the branch by providing me with great support and leadership to all the staff. Simply put, I could not ask for a better team to lead the branch into what we plan to be a very successful year ahead.

The 2014/15 financial year also saw the opening of the Pomona agency in April. An exceptional amount of hard work took place behind the scenes to make this happen. Suffice to say, the extraordinary accomplishments of Rick Cooper our Chairman who fearlessly led the negotiations for the agency and, as a result, brought about the successful model now in operation at Pomona.

For the three months in operation to 30 June, the agency has put on footings of nigh on \$6 million and is growing strongly each month. The agency is run through the business of Lozza's Rock & Roll Café and recognition to Lawrie Taylor the owner and Stacey Watts and Glenda Burns who are the counter staff for the agency, must be acknowledged.

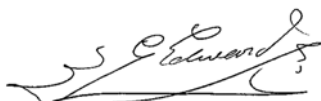
My thanks also go to the tireless efforts of our SCCFSL Board of Directors who volunteer their time to give guidance and support to the branch along with being great advocates of the **Community Bank**[®] model.

And finally, thanks also to Ian Williams, our Community Connection and Marketing Manager and Danielle Taylor, our Social Media Co-ordinator for their tireless efforts with the promotion of our unique banking model.

The year ahead is filled with confidence, in and around the Cooroy district. I know the Cooroy **Community Bank**[®] Branch is even keener to continue delivering its promises of giving back to the community. It is both rewarding and a pleasure to be part of a greater team that that gives it all to the service of its customers and the community as a whole.

Our community projects and sponsorships are such an integral part of what we do. The groups we support are now too numerous to be individually mentioned however I want to thank them all for the opportunity to be a part of their activities.

I look forward to the many successful years ahead.



Geoff Edwards
Branch Manager
Cooroy Community Bank[®] Branch

Marcoola Manager's report



Above (left - right) Judy Blackall, Carmen Knight, Stephen Hutchings, Julie Markillie and Jane Morten.

For year ending 30 June 2015

It's been another great year at our Marcoola **Community Bank**[®] Branch.

Our success is measured not only by its financial contribution to the communities of the North Shore, but also through our branch's achievements working within the community itself.

It's built on the fact we do business and remain connected and relevant to our North Shore community. Our Marcoola **Community Bank**[®] Branch staff are experienced, they go the extra mile to provide excellent customer service and I believe we provide excellent products and services directly at a local level.

The success of the year saw our overall business held under management exceed \$99,180 - just under \$100 million and the number of customers doing business with us grew by 8.25%.

We celebrate the fact that our **Community Bank**[®] branch has now contributed more than \$570,000 and over 30 sponsorships and partnerships and that number will continue to grow as more locals learn more about the **Community Bank**[®] model and the difference it makes for everyone.

The successful year continued when we were able to return the income generated from our growth to our community in an array of community events and partnerships. Our Marcoola **Community Bank**[®] Branch, its staff and Board have achieved outcomes that are relevant to – whether it is partnering with Sunshine Coast Council to refurbish the Coolum Civic Centre and the upgrade of Jack Morgan Park (our greatest support of any community project to date), we're there and we're connected to our community.

Our support for the Coolum Australia Day Parade, the Marcoola Surf Life Saving Club, Coolum Theatre Players, Cool Harmonies choir, Northshore Community Centre Christmas Event, North Shore Football Club, Mudjimba Boardriders Association and new playground equipment for Mudjimba Community Kindergarten were all highlights during a very busy year.

Marcoola Manager's report (continued)

I continue to be supported by an amazing group of people including the SCCFSL Board and its Chairman, Rick Cooper. In particular, a warm thank you to my local Board members, Jay Pashley and Debbie Johnson for working for the greater good of our Marcoola **Community Bank**[®] Branch for no remuneration.

To Ian Williams, our Community Connection and Marketing Manager and Danielle Taylor Social Media Co-ordinator, thank you for you many, many hours of work contributing to supporting not only this branch but all the community groups we work with.

Not forgetting my team of Carmen, Julie, Stephen and our newest member Jane, all of whom work day in and day out to ensure our customers receive the best outcomes each and every time they drop into the branch, call or email.

To our shareholders and customers the very biggest thanks of all for continuing to support and do business with your Marcoola **Community Bank**[®] Branch and I very much look forward to another successful year of being relevant and committed to our customers and community.



Judy Blackall

Branch Manager

Marcoola Community Bank[®] Branch

Tewantin Manager's report



(Left - right) Wayne with the Tewantin team – Kerri Wright, Ben Baker, Sarah Vogler and Penny Lucas

For year ending 30 June 2015

The 2014/15 financial year was another solid year for the Tewantin **Community Bank®** Branch.

The branch has been trading for a little over 11 years and continues to go from strength to strength. This last year our business has grown by \$3.6 million which has taken our overall footings to \$82.4 million. We have opened 568 new accounts and our total number of accounts is now over 3,800.

This year we have also been permitted by the State Government to offer banking services to the students of our State Schools. I am pleased to say that both Tewantin and Noosaville are now enrolled in our Student Banking Programme.

Whilst our branch occupies a small footprint in regards to our physical size, we continue to have the highest number of foot traffic in the Region for the number of transactions processed by our front line staff.

The fruit of our success is the great work we are able to do in our community and this is what it is all about. Put simply; the more customers we have banking with us means the greater benefit we are able to provide to the community.

We have long term sponsorships in place with many sporting bodies, the local state schools, three local Rotary Clubs, Noosa Coastguard, Street Reach Van, Noosa Art Theatre, Slow Food Noosa to name just a few. Some of our new sponsorships are the Noosa Men's Shed, Noosa Beach Classic Car Club, Noosa Community Radio and the Tewantin Noosa Bowls Club.

I would like to thank the SCCFSL Board, Ian Williams our Community Connection and Marketing Manager and Danielle Taylor our Social Media Co-ordinator for their tireless efforts and the many hours of work they contribute in supporting us and our community groups.

Tewantin Manager's report (continued)

It is very much a team effort and contributing to our success is our dedicated branch staff who consistently strive to do their best and make banking an enjoyable and pleasing experience for our customers. Our current team is Kerri Wright, Penny Lucas, Sarah Vogler, Ben Baker and Helen Whitby and I would like to thank them for their great efforts during the year.

I would also like to thank our shareholders and our customers for their continued support as they not only choose to bank with us but also act as our advocates in their daily dealings by recommending our **Community Bank**[®] branch. The best compliment that you can give us is a referral to your family, friends and business associates.



Wayne Hoens

Branch Manager

Tewantin Community Bank[®] Branch

Bendigo and Adelaide Bank report

For year ending 30 June 2015

In the 2015 financial year, the **Community Bank**[®] network opened its 310th branch and community contributions since the model's inception exceed \$130 million. Both of these achievements could not have been achieved without your ongoing support as a shareholder, customer and advocate of what is a truly unique way of banking for the benefit of your local community.

Local communities continue to embrace the **Community Bank**[®] model, a banking movement founded on the simple belief that successful customers and successful communities create a successful bank.

Seventeen years later communities are still approaching us and the model is as robust and relevant as ever, however a review of what we were doing, why and how we could do it better was timely.

During an 18 month period the Bank, in partnership with the **Community Bank**[®] network, undertook a comprehensive review of the **Community Bank**[®] model. Project Horizon was the largest single engagement process ever undertaken by our organisation.

As a result, a focus for the next 18 months will be the implementation of 64 recommendations. What was overwhelmingly obvious is that our **Community Bank**[®] network, and our Bank, care deeply about what has been developed and in what the future holds for the network.

In the early days of **Community Bank**[®] development, the **Community Bank**[®] model was seen as a way to restore branch banking services to rural towns, regional cities and metropolitan suburbs after the last of the banks closed their doors.

Today, although the focus is still about providing banking services, there is perhaps an even greater interest in the way in which the model creates a successful community enterprise used to effectively, and sustainably, build community capacity.

In October 2014, we welcomed **Community Bank**[®] branches in Bacchus Marsh, Kilmore, Maffra, Kwinana and Nubeena. All of these branches join a strong and mature banking network where valued partnerships enhance banking services, taking the profits their banking business generates and reinvesting that funding into initiatives to ultimately strengthen their community.

Following consultation with local residents and business owners responding to other banks reducing their branch presence, Aldinga Beach **Community Bank**[®] Branch opened the Willunga Customer Service Centre in April 2015, providing a full banking service to local people five days a week.

The **Community Bank**[®] model is a great example of shared value and was centre stage at an international Shared Value conference in the United States earlier this year.

Funding generated by **Community Bank**[®] branches support projects that make a difference to a community. But no matter how big or small the place people call home, the **Community Bank**[®] network recognises that when they act as one, powered by the good that money can bring, bigger things can happen for local towns, regions and states.

In WA, a \$125,000 commitment to Ronald McDonald House by Collie & Districts **Community Bank**[®] Branch resulted in a further \$125,000 from 21 branches (both community and company owned) in the state.

In QLD, Longreach farming families are now feeding their stock thanks to a dedicated Rotary Club and financial contributions from 16 **Community Bank**[®] (and company) branches.

Across regional and rural NSW, young people are today better drivers thanks to a driver education program supported by **Community Bank**[®] branches and across Australia, 58 young people headed off to their first year of university with the help of a **Community Bank**[®] scholarship.

Bendigo and Adelaide Bank report (continued)

Interest in the **Community Bank**[®] model remains strong, with 20 **Community Bank**[®] sites currently in development and a further six **Community Bank**[®] branches expected to open nationally during the next 12 months.

The network's steady expansion demonstrates the strength and relevance of a banking model where the desire to support the financial needs of customers is equalled by the desire to support the community with the good that money can bring.

By the end of the financial year 2014/15 the **Community Bank**[®] network achieved the following:

- Returns to community – over \$130 million since the model's inception
- **Community Bank**[®] branches – 310
- **Community Bank**[®] branch staff – more than 1,500
- **Community Bank**[®] company Directors – 1,946
- Banking business – \$28.79 billion
- Customers – 699,000
- Shareholders – 74,393
- Dividends paid to shareholders since inception – \$38.6 million

The communities we partner with also have access to the Bank's extensive range of other community building solutions including Community Enterprise Foundation™ (philanthropic arm), Community Sector Banking (banking service for not-for-profit organisations), Generation Green™ (environment and sustainability initiative), Community Telco[®] Australia (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. 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.

Our **Community Bank**[®] partners played an integral role in the Bank's involvement in the Financial Systems Inquiry, lobbying their local Federal Government representatives and calling for a level playing field.

Recent APRA announcements regarding changes to risk weights on mortgages will positively impact our Bank – providing customers with a level playing field by giving them more choice from a wider variety of financial providers.

Thanks to the efforts of our people, our peers and **Community Bank**[®] partners, we're starting to see the benefits. In continuing to take a collaborative approach, we act as one network driving positive outcomes for all Australians.

As **Community Bank**[®] company shareholders you are part of a unique banking movement.

The model offers an alternative way to think about banking and the role banks play in modern society, and because of your support there really is no limit to what can be achieved for local people and the communities in which you live.

Thank you for your ongoing support of your local **Community Bank**[®] branch.



Robert Musgrove
Executive Community Engagement

Directors' report

For the financial year ended 30 June 2015

Your Directors present their report of the company for the financial year ended 30 June 2015.

Directors

The following persons were Directors of Sunshine Coast Community Financial Services Limited during or since the end of the financial year up to the date of this report:

Name and position held	Qualifications	Experience and other Directorships
Frederick Charles Broomhall Appointed May 2002 Director	B. Com.	Property Investor
Leonard Harold Daddow Appointed May 2002 Director		Principal of Automobile Dealership
Peter William Billingham Appointed May 2002 Director	B. Bus. CA	Chartered Accountant
Rick Cooper Appointed November 2006 Director		Retired. Founding president of the Tewantin Community Association. Former Principal of Elders Real Estate Tewantin.
Jay Pashley Appointed February 2004 Director		Principal of North Shore Realty
Debra Johnson Appointed November 2008 Director		Principal of Suncoast Green
Elizabeth Reynolds Appointed July 2014 Director		Retired Solicitor. Small business owner and operator.

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

Directors' report (continued)

Review of operations

The profit of the company for the financial year after provision for income tax was \$143,454(2014 profit: \$110,862), which is a 29% increase as compared with the previous year.

The net assets of the company have increased to \$1,220,090 (2014: \$1,206,841).

Dividends

Dividends paid or declared since the start of the financial year.

	Year ended 30 June 2015	
	Cents per share	\$
Dividends paid in the year final dividend:	7.64	130,204

Options

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

Significant changes in the state of affairs

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

Events subsequent to the end of the reporting period

No matters or circumstances have arisen since the end of the financial year 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.

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.

Directors' report (continued)

Indemnifying Officers or Auditor (continued)

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' meetings

The number of Directors' meetings held during the year were 11. Attendances by each Director during the year were as follows:

Director	Board Meetings #	Audit Committee Meetings #
Frederick Charles Broomhall	11 (11)	N/A
Leonard Harold Daddow	10 (11)	N/A
Peter William Billinghamurst	8 (11)	2 (2)
Rick Cooper	11 (11)	2 (2)
Jay Pashley	11 (11)	N/A
Debra Johnson	10 (11)	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.

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.

Company Secretary

Peter Billinghamurst has been the Company Secretary of Sunshine Coast Community Financial Services Limited since 2004.

His qualifications and experience include being a chartered accountant who has worked in the accounting industry for approximately 30 years.

Directors' report (continued)

Non audit services

The Board of 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 20 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 Cooroy on 29 September 2015.



Peter Billinghamurst
Director

Auditor's independence declaration



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29th September 2015

The Directors
Sunshine Coast Community Financial Services Limited
PO Box 815
COOROY QLD 4563

Dear Directors,

To the Directors of Sunshine Coast Community Financial Services Limited

Auditor's Independence Declaration under section 307C of the Corporations Act 2001

I declare that to the best of my knowledge and belief, during the year ended 30 June 2015 there has been:

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

A handwritten signature in blue ink, appearing to be 'Kathie Teasdale'.

Kathie Teasdale
Partner
Richmond Sinnott & Delahunty

Financial statements

Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2015

	Note	2015 \$	2014 \$
Revenue	2	2,429,984	2,315,686
Employee benefits expense	3	(1,262,395)	(1,195,320)
Depreciation and amortisation expense	3	(79,483)	(90,459)
Finance costs	3	(23,530)	(3,996)
Bad and doubtful debts expense		(6,683)	(5,683)
Rental expense		(132,214)	(174,969)
Other expenses	3	(585,660)	(524,934)
Operating profit before charitable donations & sponsorships		340,019	320,325
Charitable donations and sponsorships		(128,472)	(159,365)
Profit before income tax		211,547	160,960
Tax expense	4	(64,784)	(50,098)
Profit for the year		146,763	110,862
Other comprehensive income		-	-
Total comprehensive income for the year		146,763	110,862
Total comprehensive income attributable to:		146,763	110,862
Members of the company			
Total		146,763	110,862
Earnings per share (cents per share)			
- basic earnings per share	24	8.42	6.51

The accompanying notes form part of these financial statements.

Financial statements (continued)

Statement of Financial Position as at 30 June 2015

	Note	2015 \$	2014 \$
Assets			
Current assets			
Cash and cash equivalents	6	140,952	247,975
Trade and other receivables	7	219,354	253,484
Investments and other financial assets	8	-	432,983
Total current assets		360,306	934,442
Non-current assets			
Property, plant and equipment	9	1,649,499	341,991
Deferred tax assets	14	39,678	39,678
Intangible assets	10	130,003	98,654
Total non-current assets		1,819,180	480,323
Total assets		2,179,486	1,414,765
Liabilities			
Current liabilities			
Trade and other payables	11	167,604	176,213
Current tax payable	14	(3,105)	6
Loans and borrowings	12	51,749	7,118
Total current liabilities		216,248	183,337
Non current liabilities			
Loans and borrowings	12	739,838	24,587
Total non current liabilities		739,838	24,587
Total liabilities		956,086	207,924
Net assets		1,223,400	1,206,841
Equity			
Issued capital	15	1,623,067	1,623,067
Accumulated losses	16	(399,667)	(416,226)
Total equity		1,223,400	1,206,841

The accompanying notes form part of these financial statements.

Financial statements (continued)

Statement of Changes in Equity for the year ended 30 June 2015

	Note	Issued capital \$	Retained earnings \$	Total equity \$
Balance at 1 July 2013		1,623,067	(388,193)	1,234,874
Profit for the year			110,862	110,862
Other comprehensive income for the year		-	-	-
Total comprehensive income for the year		-	110,862	110,862
Transactions with owners, in their capacity as owners				
Dividends paid or provided	25		(138,895)	(138,895)
Balance at 30 June 2014		1,623,067	(416,226)	1,206,841
Balance at 1 July 2014		1,623,067	(416,226)	1,206,841
Profit for the year			146,763	146,763
Other comprehensive income for the year		-	-	-
Total comprehensive income for the year		-	146,763	146,763
Transactions with owners, in their capacity as owners				
Dividends paid or provided	25	-	(130,204)	(130,204)
Balance at 30 June 2015		1,623,067	(399,667)	1,223,400

The accompanying notes form part of these financial statements.

Financial statements (continued)

Statement of Cash Flows for the year ended 30 June 2015

	Note	2015 \$	2014 \$
Cash flows from operating activities			
Receipts from customers		2,423,185	2,464,598
Payments to suppliers and employees		(2,124,033)	(2,243,558)
Interest paid		-	(3,996)
Interest received		9,674	20,181
Income tax paid		(67,895)	(56,569)
Borrowing Costs		(23,530)	-
Other income		22,908	-
Net cash provided by operating activities	17	240,309	180,656
Cash flows from investing activities			
Proceeds from sale of property, plant & equipment		18,000	-
Purchase of intangible assets		(68,713)	-
Purchase of investments		432,983	(8,182)
Purchase of property, plant & equipment		(1,359,280)	(11,084)
Net cash flows used in investing activities		(977,010)	(19,266)
Cash flows from financing activities			
Repayment of borrowings		759,882	(16,370)
Dividends paid		(130,204)	(138,895)
Net cash used in financing activities		629,678	(155,265)
Net increase/(decrease) in cash held		(107,023)	6,125
Cash and cash equivalents at beginning of financial year		247,975	241,850
Cash and cash equivalents at end of financial year	6	140,952	247,975

The accompanying notes form part of these financial statements.

Notes to the financial statements

For year ended 30 June 2015

These financial statements and notes represent those of Sunshine Coast Community Financial Services Limited.

Sunshine Coast Community 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 28 September 2015.

Note 1. Summary of significant accounting policies

(a) Basis of preparation

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

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

Economic dependency

The company has entered into a franchise agreement with Bendigo and Adelaide Bank Limited that governs the management of the **Community Bank**[®] branches at Cooroy, Marcoola and Tewantin.

The branches operate as a franchise of Bendigo and Adelaide Bank Limited, using the name "Bendigo Bank" and the logo and system of operations of Bendigo and Adelaide Bank Limited. The company manages the **Community Bank**[®] branches on behalf of Bendigo and Adelaide Bank Limited, however all transactions with customers conducted through the **Community Bank**[®] branches are effectively conducted between the customers and Bendigo and Adelaide Bank Limited.

All deposits are made with Bendigo and Adelaide Bank Limited, and all personal and investment products are products of Bendigo and Adelaide Bank Limited, with the company facilitating the provision of those products. All loans, leases or hire purchase transactions, issues of new credit or debit cards, temporary or bridging finance and any other transaction that involves creating a new debt, or increasing or changing the terms of an existing debt owed to Bendigo and Adelaide Bank Limited, must be approved by Bendigo and Adelaide Bank Limited. All credit transactions are made with Bendigo and Adelaide Bank Limited, and all credit products are products of Bendigo and Adelaide Bank Limited.

Bendigo and Adelaide Bank Limited provides significant assistance in establishing and maintaining the **Community Bank**[®] branch franchise operations. It also continues to provide ongoing management and operational support, and other assistance and guidance in relation to all aspects of the franchise operation, including advice in relation to:

- Advice and assistance in relation to the design, layout and fit out of the **Community Bank**[®] branch;
- Training for the Branch Managers and other employees in banking, management systems and interface protocol;

Notes to the financial statements (continued)

Note 1. Summary of significant accounting policies (continued)

a) Basis of preparation (continued)

Economic dependency (continued)

- Methods and procedures for the sale of products and provision of services;
- Security and cash logistic controls;
- Calculation of company revenue and payment of many operating and administrative expenses;
- The formulation and implementation of advertising and promotional programs; and
- Sale techniques and proper customer relations.

(b) Income tax

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

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities/(assets) are measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Deferred income tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

(c) Fair value of assets and liabilities

The company may measure some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the company would receive to sell an assets or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair value of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

Notes to the financial statements (continued)

Note 1. Summary of significant accounting policies (continued)

(d) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated, less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount of these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including capitalised leased assets, is depreciated on a straight-line basis over the asset's useful life to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable asset are:

Class of asset	Depreciation rate
Plant & equipment	20%
Motor vehicle	20%

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

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(e) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset - but not the legal ownership - are transferred to the company, are classified as finance leases.

Notes to the financial statements (continued)

Note 1. Summary of significant accounting policies (continued)

(e) Leases (continued)

Finance leases are capitalised by recognising an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses in the periods in which they are incurred.

(f) 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 the consideration of external 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 asset's fair value less cost to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard. Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

(g) 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 Taxation Office (ATO).

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 with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or 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.

(h) Employee benefits

Short-term employee benefits

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The company's obligation for short-term employee benefits such as wages and salaries are recognised as part of current trade and other payables in the statement of financial position. The company's obligation for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Notes to the financial statements (continued)

Note 1. Summary of significant accounting policies (continued)

(h) Employee benefits (continued)

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurement for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The company's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

(i) Intangible assets and franchise fees

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 Profit or Loss and Other Comprehensive Income.

(j) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are reported within 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.

(k) Revenue and other income

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

Interest, dividend and fee revenue is recognised when earned.

All revenue is stated net of the amount of goods and services tax (GST).

(l) Trade and other receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Notes to the financial statements (continued)

Note 1. Summary of significant accounting policies (continued)

(m) Trade and other payables

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

(n) Borrowing costs

Borrowing costs are recognised in profit or loss in the period in which they are incurred.

(o) New and amended accounting policies adopted by the company

There are no new and amended accounting policies that have been adopted by the company this financial year.

(p) New accounting standards for application in future periods

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 and associated Amending Standards (applicable for annual reporting periods beginning on or after 1 January 2018)

This Standard will be applicable retrospectively and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

The key changes that may affect the company on initial application include certain simplifications to the classification of financial assets.

Although the Directors anticipate that the adoption of AASB 9 may have an impact on the company's financial instruments, it is impractical at this stage to provide a reasonable estimate of such impact.

(ii) AASB 15: Revenue from Contracts with Customers (applicable for annual reporting periods commencing on or after 1 January 2017)

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with customers;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

Notes to the financial statements (continued)

Note 1. Summary of significant accounting policies (continued)

(p) New accounting standards for application in future periods (continued)

(ii) AASB 15: Revenue from Contracts with Customers (applicable for annual reporting periods commencing on or after 1 January 2017) (continued)

This Standard will require retrospective restatement, as well as enhanced disclosure regarding revenue.

Although the Directors anticipate that the adoption of AASB 15 may have an impact on the company's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

(q) Loans and borrowings

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

(r) 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.

(s) 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.

(t) Comparative figures

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

(u) 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 charges 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.

Fair value assessment of non-current physical assets

The new AASB 13 Fair Value standard requires fair value assessments that may involve both complex and significant judgement and experts. The value of land and buildings may be materially misstated and potential classification and disclosure risks may occur.

Notes to the financial statements (continued)

Note 1. Summary of significant accounting policies (continued)

(u) Critical accounting estimates and judgements (continued)

Employee benefits provision

Assumptions are required for wage growth and CPI movements. The likelihood of employees reaching unconditional service is estimated. The timing of when employee benefit obligations are to be settled is also estimated.

Income tax

The company is subject to income tax. Significant judgement is required in determining the deferred tax asset. 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 evaluating 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.

(v) 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.

Classification and subsequent measurement

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

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

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discount estimated future cash payments or receipts over the expected life (or where this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in the profit or loss.

(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.

Notes to the financial statements (continued)

Note 1. Summary of significant accounting policies (continued)

(v) Financial instruments (continued)

Impairment

A financial asset (or group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of financial assets carried at amortised cost loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency on interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial asset is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition

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.

	2015 \$	2014 \$
Note 2. Revenue and other income		
Revenue		
- services commissions	2,355,229	2,263,421
	2,355,229	2,263,421
Other revenue		
- interest received	9,674	20,181
- other revenue	65,081	32,084
	74,755	52,265
Total revenue	2,429,984	2,315,686

Notes to the financial statements (continued)

	2015 \$	2014 \$
Note 3. Expenses		
Employee benefits expense		
- wages and salaries	1,109,350	1,050,618
- superannuation costs	98,282	91,182
- payroll tax	48,411	46,644
- worker's compensation costs	6,352	6,876
	1,262,395	1,195,320
Depreciation of non-current assets:		
- plant and equipment	42,119	49,374
Amortisation of non-current assets:		
- intangible assets	37,364	41,085
	79,483	90,459
Finance costs:		
- Interest paid	23,530	3,996
Other expenses		
- accountancy	11,363	13,500
- advertising and promotion	74,448	32,089
- cleaning and waste disposal	29,445	27,580
- consultant fees	42,632	34,340
- electricity	17,165	17,596
- IT equipment lease	41,693	43,724
- IT running costs	27,905	27,981
- IT support costs	32,559	34,747
- insurance	30,969	29,070
- printing and stationery	39,715	51,459
- other	237,765	212,848
	585,659	524,934

Notes to the financial statements (continued)

	2015 \$	2014 \$
Note 4. Tax Expense		
a. The components of tax expense/(income) comprise		
- current tax expense/(income)	64,784	50,098
- deferred tax expense/(income) relating to the origination and reversal of temporary differences	-	-
- adjustments for under/(over)-provision of current income tax of previous years	-	-
	64,784	50,098
b. 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% (2014: 30%)	63,464	48,288
Add tax effect of:		
- Adjustments in respect of current income tax of previous year	-	-
- Non-deductible expenses	1,320	1,810
Current income tax expense	64,784	50,098
Income tax attributable to the entity	64,784	50,098
The applicable weighted average effective tax rate is	30.62%	31.12%

The applicable income tax rate is the Australian Federal tax rate of 30% (2014: 30%) applicable to Australian resident companies.

Note 5. Auditors' remuneration

Remuneration of the Auditor for:

- Audit or review of the financial report	6,812	4,750
- Share registry services	12,067	5,802
	18,879	10,552

Note 6. Cash and cash equivalents

Cash at bank and on hand	140,952	178,104
Short-term bank deposits	-	69,871
	140,952	247,975

Notes to the financial statements (continued)

	2015 \$	2014 \$
Note 7. Trade and other receivables		
Current		
Trade debtors	219,354	245,536
Other assets	-	7,948
	219,354	253,484

Credit risk

The main source of credit risk relates to a concentration of trade receivables owing by Bendigo and Adelaide Bank Limited, which is the source of the majority of the company's income.

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	
2015						
Trade receivables	219,354	-	-	-	-	219,354
Total	219,354	-	-	-	-	219,354
2014						
Trade receivables	245,536	-	-	-	-	245,536
Total	245,536	-	-	-	-	245,536

	2015 \$	2014 \$
Note 8. Investments and other financial assets		
Australian term deposits > 3 months	-	432,983

Notes to the financial statements (continued)

	2015 \$	2014 \$
Note 9. Property, plant and equipment		
Property, Plant and equipment		
At cost	2,171,491	812,211
Less accumulated depreciation	(543,135)	(507,093)
	1,628,356	305,118
Motor Vehicles		
At cost	45,692	75,055
Less accumulated depreciation	(24,549)	(38,182)
	21,143	36,873
Total written down amount	1,649,499	341,991
Movements in carrying amounts		
Plant and equipment		
Balance at the beginning of the reporting period	305,118	334,899
Additions	1,359,280	11,084
Disposals	-	-
Depreciation expense	(36,042)	(40,865)
Balance at the end of the reporting period	1,628,356	305,118
Motor vehicle		
Balance at the beginning of the reporting period	36,873	45,382
Additions	-	-
Disposals	(9,653)	-
Depreciation expense	(6,077)	(8,509)
Balance at the end of the reporting period	21,143	36,873
Note 10. Intangible assets		
Franchise fee		
At cost	524,926	456,213
Less accumulated amortisation	(394,923)	(357,559)
	130,003	98,654

Notes to the financial statements (continued)

	2015 \$	2014 \$
Note 10. Intangible assets (continued)		
Movements in carrying amounts		
Franchise fee		
Balance at the beginning of the reporting period	98,654	139,739
Additions	68,713	-
Disposals	-	-
Amortisation expense	(37,364)	(41,085)
Balance at the end of the reporting period	130,003	98,654

Note 11. Trade and other payables

Current

Unsecured liabilities:

Trade creditors	138,044	157,401
Other creditors and accruals	21,687	10,156
GST payable	7,873	8,656
	167,604	176,213

The average credit period on trade and other payables is one month.

Note 12. Borrowings

Chattel Mortgage - Current	51,749	7,118
Chattel Mortgage - Non-current	739,838	24,587
	791,587	31,705

The company has a mortgage loan which is subject to normal terms and conditions. This loan has been created to fund the acquisition of the building at Cooroy and is secured against said property

Note 13. Provisions

All staff are employees of Bendigo and Adelaide Bank Limited, except for one staff member who had nil annual leave owing at year end.

Notes to the financial statements (continued)

	2015 \$	2014 \$
Note 14. Tax balances		
(a) Tax assets		
Non-current		
- Deferred tax asset comprises:		
carried forward capital losses	39,678	39,678
(b) Tax liabilities		
Current		
- Income tax payable	(3,105)	6

Note 15. Share capital

1,672,988 Ordinary shares fully paid	1,672,988	1,672,988
plus 31,250 Bonus shares issued for no consideration	-	-
Less: Equity raising costs	(49,921)	(49,921)
	1,623,067	1,623,067

Movements in share capital

Fully paid ordinary shares:		
At the beginning of the reporting period	1,704,238	1,704,238
Shares issued during the year	-	-
At the end of the reporting period	1,704,238	1,704,238

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 company 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%.

Notes to the financial statements (continued)

Note 15. Share capital (continued)

Capital management (continued)

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 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.

	2015 \$	2014 \$
Note 16. Accumulated losses		
Balance at the beginning of the reporting period	(416,226)	(388,193)
Profit after income tax	146,763	110,862
Dividend Paid	(130,204)	(138,895)
Balance at the end of the reporting period	(399,667)	(416,226)

Note 17. Statement of cash flows

Reconciliation of cash flow from operations with profit after income tax

Profit after income tax	146,763	110,862
Non cash flows in profit		
- Depreciation	42,119	49,374
- Amortisation	37,364	41,085
- Net (profit) / loss from sale of plant & equipment	(8,347)	-
Changes in assets and liabilities		
- (Increase) decrease in receivables	34,130	(49,300)
- Increase (decrease) in income tax payable	(3,111)	(6,471)
- Increase (decrease) in payables	(8,609)	35,106
Net cash flows from operating activities	240,309	180,656

Notes to the financial statements (continued)

	2015 \$	2014 \$
Note 18. Leases		
Operating lease commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements.		
Payable - minimum lease payments		
- no later than 12 months	90,766	162,934
- between 12 months and 5 years	254,611	501,741
- greater than 5 years	-	-
	345,377	664,675

The property leases consist of three premises, all non-cancellable leases with 5-year terms, rent payable monthly in advance, with annual CPI increase or fixed 4% increase. Two of these leases have, 2, 5-year extension options, and one has 1, 5-year extension option.

Note 19. 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.

No Director of the company receives remuneration for services as a company Director or committee member.

There are no executives within the company whose remuneration is required to be disclosed.

(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.

Billinghurst Martin Pty Ltd, of which Peter Billinghurst is a partner, received a fee of 11,362 (2014: \$13,500) for accounting services provided to Sunshine Coast Community Financial Services Limited for the year ended 30 June 2015.

Notes to the financial statements (continued)

Note 19. Related party transactions (continued)

(d) Key management personnel shareholdings

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

	2015	2014
Frederick Charles Broomhall	42,700	26,674
Leonard Harold Daddow	8,201	8,201
Peter William Billinghamurst	1,051	1,051
Rick Cooper	26,993	26,993
Jay Pashley	20,000	20,000
Debra Johnson	15,000	15,000

There was no movement in key management personnel shareholdings during the year. 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 20. 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 21. Contingent liabilities and contingent assets

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

Note 22. Operating segments

The company operates in the financial services sector where it provides banking services to its clients. The company operates in three geographic areas being Cooroy, Marcoola and Tewantin, Queensland. The company has a franchise agreement in place with Bendigo and Adelaide Bank Limited who account for 100% of the revenue (2014: 100%).

Note 23. Company details

The registered office and principle place of business is: 36A Maple Street Cooroy, QLD, 4563

Notes to the financial statements (continued)

	2015 \$	2014 \$
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Note 24. Earnings per share

Basic earnings per share amounts are calculated by dividing profit 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).

There were no options or preference shares on issue during the year.

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

Profit after income tax expense	146,763	110,862
Weighted average number of ordinary shares for basic and diluted earnings per share	1,704,238	1,704,238

Note 25. Dividends paid or provided for on ordinary shares

(a) Dividends paid during the year

30% franked dividend 7.64 cents per share (2014: 8.15 cents per share)	130,204	138,895
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Note 26. Financial risk management

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

	Note	2015 \$	2014 \$
Financial assets			
Cash and cash equivalents	6	140,952	247,975
Trade and other receivables	7	219,354	253,484
Investments and other financial assets	8	-	432,983
Total financial assets		360,306	934,442
Financial liabilities			
Trade and other payables	11	167,604	176,213
Borrowings	12	791,587	31,705
Total financial liabilities		959,191	207,918

Notes to the financial statements (continued)

Note 26. Financial risk management (continued)

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 main risks the company is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk, foreign currency risk and other price risk. There have been no substantial 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

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the company.

Credit risk is managed through maintaining procedures ensuring, to the extent possible, that clients and counterparties to transactions are of sound credit worthiness. 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.

Credit risk exposures

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 has no significant concentrations of credit risk with Bendigo and Adelaide Bank Limited. The company's exposure to credit risk is limited to Australia by geographic area.

None of the assets of the company are past due (2014: 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.

	2015	2014
	\$	\$
A rated cash and cash equivalents	140,952	247,975
Australian term deposits > 3 months	-	432,983
	140,952	680,958

(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.

Notes to the financial statements (continued)

Note 26. Financial risk management (continued)

(b) Liquidity risk (continued)

The table below reflects an undiscounted contractual maturity analysis for financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward.

Financial liability and financial asset maturity analysis:

30 June 2015	Note	Total \$	Within 1 year \$	1 to 5 years \$	Over 5 years \$
Financial liabilities due for payment					
Trade and other payables	11	167,604	167,604	-	-
Loans and borrowings	12	791,587	51,749	739,838	-
Total expected outflows		959,191	219,353	739,838	-
Financial assets - cash flows realisable					
Cash & cash equivalents	6	140,952	140,952	-	-
Trade and other receivables	7	219,354	219,354	-	-
Investments and other financial assets	8	-	-	-	-
Total anticipated inflows		360,306	360,306	-	-
Net (outflow)inflow on financial instruments		(598,885)	140,953	(739,838)	-

30 June 2014	Note	Total \$	Within 1 year \$	1 to 5 years \$	Over 5 years \$
Financial liabilities due for payment					
Trade and other payables	11	176,213	176,213	-	-
Loans and borrowings	12	31,705	7,118	24,587	-
Total expected outflows		207,918	183,331	24,587	-

Notes to the financial statements (continued)

Note 26. Financial risk management (continued)

(b) Liquidity risk (continued)

30 June 2014	Note	Total \$	Within 1 year \$	1 to 5 years \$	Over 5 years \$
Financial assets - cash flows realisable					
Cash & cash equivalents	6	247,975	247,975	-	-
Trade and other receivables	7	253,484	253,484	-	-
Investments and other financial assets	8	432,983	432,983	-	-
Total anticipated inflows		934,442	934,442	-	-
Net (outflow)/inflow on financial instruments		726,524	751,111	(24,587)	-

(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.

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

The financial instruments that primarily expose the company to interest rate risk are fixed interest securities and cash and cash equivalents.

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.

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

Notes to the financial statements (continued)

Note 26. Financial risk management (continued)

(c) Market risk (continued)

Sensitivity analysis

	Profit \$	Equity \$
Year ended 30 June 2015		
+/- 1% in interest rates (interest income)	-	-
+/- 1% in interest rates (interest expense)	(5,989)	(5,989)
	(5,989)	(5,989)
Year ended 30 June 2014		
+/- 1% in interest rates (interest income)	5,986	5,986
+/- 1% in interest rates (interest expense)	-	-
	5,986	5,986

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.

Directors' declaration

In accordance with a resolution of the Directors of Sunshine Coast Community Financial Services Limited, the Directors of the company declare that:

1. The financial statements and notes, as set out on pages 21 to 47 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 2015 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.



Peter Billinghamurst
Director

Signed at Cooroy on 29 September 2015.

Independent audit report



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Bendigo, VICTORIA
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUNSHINE COAST COMMUNITY FINANCIAL SERVICES LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Sunshine Coast Community Financial Services Limited, which comprises the statement of financial position as at 30 June 2015, 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.

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

Independent audit report (continued)

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 Sunshine Coast Community 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 Sunshine Coast Community 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 2015 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 2015. 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 Sunshine Coast Community Financial Services Limited for the year ended 30 June 2015, complies with section 300A of the Corporations Act 2001.

RICHMOND SINNOTT & DELAHUNTY

Chartered Accountants



Kathie Teasdale
Partner

Dated at Bendigo, 29th September 2015

NSX report

For the year ended 30 June 2015

Additional information required by the NSX and not shown elsewhere in the report is as follows.

- (a) The information is current as at 29 September 2015.
- (b) There are no material differences between the entities Annexure 3A and the financial statements contained in the Annual Report.
- (c) Corporate governance statement

The Board manages and monitors the business on behalf of the shareholders to whom they are accountable.

The Board recognises the importance of strong corporate governance. The Board has developed a policies and procedures manual which is subject to ongoing review. This framework will assist with governing the company into the future by providing accountability and guiding principles for future decision making. The Board has an audit committee. The Board has conducts Board performance appraisals and strategic planning sessions.

Composition of the Board

The Directors in office at the date of this statement are:

Name	Position
Peter William Billinghamurst	Secretary
Jay Pashley	Director
Leonard Harold Daddow	Director
Debra Megan Johnson	Director
Frederick Charles Broomhall	Director
Richard John Cooper	Director
Elizabeth Reynolds	Director

The Board meets monthly and follows meeting guidelines to ensure that all Directors have all of the necessary information to participate in discussion on all agenda items.

Board responsibilities

The Board acts on behalf of and is accountable to the shareholders of the company and as such it seeks to identify the expectations of its shareholders. The Board also reviews its regulatory and ethical expectations and obligations. In addition the Board is responsible for identifying areas of significant business risk and ensuring that arrangements are in place to adequately manage those risks.

The Board is also responsible for ensuring that its management activities are aligned with its future goals and appropriate strategies to mitigate material business risks. The mechanisms in place that assist the Board to meet these objectives are:

- Board approval of a business plan for each branch which encompasses the company's vision and mission statements. Ongoing review and adjustments to the business plans to ensure future growth and success. Conducting strategic and business planning workshops.
- Formation of a policies and procedures manual to give the Board a clear framework for its administrative decisions.
- Implementation of operating plans and budgets and monitoring progress against budgets both internally and industry performance guidelines.

NSX report (continued)

(c) Corporate governance statement (continued)

Board responsibilities (continued)

- Attending state and national conferences with representatives from other **Community Bank**[®] branches in the network.
- Provision of training opportunities for Directors to assist them with the discharge of their obligations.
- Conduct of various sub committee meetings

Monitoring of the Board's performance

In order to ensure that the Board continues to discharge its responsibilities in an appropriate manner the performance of all Directors is reviewed by the Chairman. Directors are subject to a peer review process. Directors whose performance is unsatisfactory would be asked to retire.

- (d) There are no substantial shareholders as each shareholder only has one vote regardless of the number of shares.
- (e) There are 692 shareholders of ordinary shares in the company.
- (f) There is one vote per shareholder.
- (g) Distribution of equity securities

The number of shareholders, by size of holding, are:

Range	Number of shareholders
1 to 1,000	366
1,001 to 5,000	259
5,001 to 10,000	38
10,001 to 100,000	29
Total	692

- (h) The number of non marketable parcels less than \$500 was 12.
- (i) Ten largest shareholders

The names of the ten largest shareholders of quoted shares are:

Shareholder	Shares
George William Perry	69,150
Murray William & Lyndal Jane Brown as trustee for <Hinternoosa Super Fund A/C>	45,501
Richard Everitt Thorne	44,025
Jennifred Pty Ltd as trustee for <Broomhall Super Fund A/C>	42,800
Thomas Leigh Pty Ltd as trustee for <The Waring Family Superannuation Fund A/C>	35,050
Winpar Holdings Limited	33,725

NSX report (continued)

(i) Ten largest shareholders (continued)

Shareholder	Shares
Jill Maree Killen	30,000
Robyn Anne Willey & Donald Bruce McBryde as trustee for <The Willey McBryde Superannuation Fund	30,000
Zedmont Pty Ltd as trustee for <Cooper Collins Super Fund A/C>	26,993
James Howard Bell	25,000

(j) The name of the entity's Secretary is Peter William Billingham.

(k) Address and telephone number of registered office

36A Maple Street
 Cooroy QLD 4563
 Phone (07) 5447 7131

(l) Address and telephone number at which securities register is kept

Richmond Sinnott & Delahunty
 172 – 176 Mclvor Road
 Bendigo VIC 3552
 Phone (03) 5443 1177

5 Year summary of performance

	2011	2012	2013	2014	2015
Gross revenue	2,200,361	2,297,504	2,388,664	2,315,685	2,429,984
Net profit before tax	326,876	226,192	288,234	160,960	211,547
Total assets	1,412,607	1,426,579	1,430,533	1,446,928	2,179,486
Total liabilities	242,892	238,227	195,659	240,088	956,086
Total equity	1,169,715	1,188,352	1,234,874	1,206,840	1,223,400
Earnings per share	13.17¢	9.57¢	11.72 ¢	6.51 ¢	8.61¢

Cooroy **Community Bank**[®] Branch
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www.bendigobank.com.au/cooroy

Marcoola **Community Bank**[®] Branch
Shop 1, 930 David Low Way, Marcoola QLD 4564
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Tewantin **Community Bank**[®] Branch
Shop 1, 105 Poinciana Avenue, Tewantin QLD 4565
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Pomona agency
3 Station Street, Pomona QLD 4568
Phone: (07) 5485 1786

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