

**Toodyay & Districts
Community Financial Services Ltd**

**Annual Report
2013 - 2014**



Toodyay & Districts Community Financial Services Ltd

Our commitment to you
Growth
Youth
Environment

This Annual Report is printed on recycled paper

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Another year has flashed past, this being my fourth report and looking back at last years comments, changes have either occurred extremely quickly or at glacial speed.

Last year three senior ladies Zeta, Jemma and Deb were taking it easy at home looking after their new babies. They have all returned to us this year, some say for the peace and quiet at the office. Andrew, Taylor and Diana all moved on and we have welcomed Evie and Emma, Evie replacing Diana in Toodyay and Emma to manage our agency in Northam once completed. Both bring great skills to the **Community Bank®** branch, Evie from the Toodyay Community Resource Centre and Emma from Bankwest.

Margaret's role has also changed to Community Liaison Manager, as we felt the opportunities to interact with the community could be enhanced by being out of the office and into the community. So you will see Margaret in the Bendigo Bank car out and about a lot more.

The agency in Northam has moved at a less than desired pace but we are closer to opening. Delays have meant we needed to look at the size and location of the agency which should all be resolved by December.

The branch has performed well over the last 12 months despite the lacklustre economy, and whilst borrowers have been rejoicing in historically low rates, this means of course the depositors are having historical low returns. If you are investing, looking to borrow or refinancing always gives us an opportunity as we can not only give you a good rate, but also the Community benefits through profits being put back into local projects.

Finally my job is made a lot easier by the great staff we have, a big thank you to them and to the Board for supporting our ideas. Finally a big thank you to our loyal customers, it's all possible because of your support.

Thanks

Don Bates
Branch Manager



This last financial year has been another full of excitement, community gathering, highlights and disappointments.

Not to ponder on the later for too long but after the joy of being nominated for the Bendigo Bank Hall of Fame for 2014 we were pipped at the post by a Victorian branch. It was a great honour to be nominated and although we did not win, in our eyes we are all winners; our branch, the community and our clients. To be one of three branches nominated out of 305 was a great achievement!

Our expansion into Northam is still progressing, although a little slower than we anticipated, the final outcome will be far better. We have had a few hiccups along the way sorting out our wants and what we can do within our agreement with Bendigo Bank, we are just about there. We are thinking outside the box to make our service that much better for both Northam and Toodyay.

As you will know by now our sponsorship guidelines are changing next year. The community night we had to explain this process went very well with everyone understanding the whole concept of how the **Community Bank®** model works that little bit more. Our aim was to tell the story again, make the sponsorship process a bit easier on everyone, allowing for better budgeting and targeting of the money back to the community and this process will also help the community and sporting groups to pre plan and organise their next year of fundraising and timelines.

Not to steal the thunder of a story later in the report, Toodyay has been announced the Winner of the Tidy Towns Regional. What a great result! Our win for a second year in a row is thanks to the hard work of our **Community Bank®** branch, our community groups, the Toodyay Tidy Towns Committee and the help of Keep Australia Beautiful. What our volunteers are doing makes a huge difference and they deserve a big pat on the back and thank you.

Toodyay & Districts Community Bank® Branch works on sponsorship and giving but at the same time we are a strong business that needs to be profitable to be able to hand this money over to these groups and our shareholders. We need your business, don't be afraid to tell your friends and family how good our services are and what the profits go towards, as every new client, account, home loan or financial service that is created, our community benefits in some way.

Everything we do in our day makes a difference. From picking up that litter we see on the ground, putting that bottle in the recycle bin rather than the green bin, saying hello to a stranger on the street. Take the time to revisit your banking. If you are with someone else, do they help the community like we do? Where do their profits go? Do you get that extra service behind the counter? Changing your banking can change how a community or sporting group survives the next season. You never know it may even help support the next big project in Toodyay like a pool or aged care facility.

Vicki Wesley
Chairman



Our future is bright and we have many new ideas planned over the next twelve months.

Northam is still high on the priority list. We have already been taking steps in Northam to focus on the Northam community so they understand who we are and what the Community bank process is. Great feedback is coming back from Northam so we can't wait to open our doors and start business.

Hopefully this will be early in the new year. Toodyay as a branch has high expectations of ourselves and what we want to achieve so some of our wants and needs for this agency have had Bendigo Bank revisit their policies and this has put our plans back.

We do not want to jump in and not be able to service our new clients in the best possible way so a little extra waiting will be worth while.

This last financial year we topped the one million dollar mark of the **Toodyay & Districts Community Bank®** putting funding back into our community and shareholder dividends. What a milestone! We can't wait for the two million mark.

Margaret has now been promoted to a Community Liaison Manager. We felt it very important for our community to be engaged more with the branch and what we do, and who was better than Margaret. She is now full swing in the role talking with groups and clients about what we do and how the process works. With people understanding this more, we will find that not only will our sponsorship be targeted to the recipients with better focus, they will also learn more about our products and the vast range that we offer.

Even though our story is a great one and we have been around for 14 years, still we find that people do not understand that if you bank with us, the community will benefit.

You support us, we support you



Keep updated on our community stories
[toodyaycommunitybank](https://www.facebook.com/toodyaycommunitybank)





Seniors Day



Toodyay Cricket Club



Northam Golf Club



Ladies Bowls



Mens Bowls



Toodyay Golf Club



Bolgart Primary School



Wheatbelt Basketball Program



Toodyay Car Show



Toodyay Basketball



SAFE



Toodyay Baptist Church

Our Recipients

Proudly sponsored by

Toodyay & Districts
Community Bank® Branch

A few photos for you to enjoy of our community groups, sporting clubs and general sponsorship

Adopt - a - Spot

This program first and foremost looks after our environment and beautifies our town but maybe more importantly it promotes ownership, friendships, mental and physical wellbeing and the Community of Toodyay working together on a common goal.

What an honour it has been to be involved in this program over the last 18 months. This started out as a conversation around the Board table on some suggestions from our Community Bank Forum for ways to beautify our town and to provide help to our Community groups trying to fundraise. This developed into the program Adopt-a-Spot Toodyay, the impact of this best described by Maureen Maher from Keep Australia Beautiful "as this being the first time in Western Australia that they had ever had this many groups from one community Adopt-a-Spot. We are making History!"

Since the launch on the 15th June 2013, where Keep Australia Beautiful Council handed out 23 litter kits, we have had another group join, many individuals and also held once off clean ups and this interest continues to grow.

Our statistics tell us that since the launch Toodyay has had 558 volunteers picking up litter with more than 680 bags of rubbish collected, 3,514 cigarette butts all weighing more than 2,483 kg. This included a once off clean-up of Julimar road last July with 14 people and 54 bags of rubbish collected.

Another hugely successful day to mention was our Community Bank Clean-Up Day where we sponsored every individual \$5 per bag of rubbish collected to go to the Community group of their choice. 25 people participated on the day and what a difference we made! 155 bags of rubbish plus iron, tyres and wire were removed from our roads.

Also congratulations on the latest breaking news - Toodyay won Regional Tidy Town for the second year in a row also winning Category awards for Community Actions and Partnerships and Waste Management and Litter.

Last but not least this program wouldn't have been possible without some key players so a huge thankyou to the Shire of Toodyay, Tidy Towns Toodyay Committee, Keep Australia Beautiful Council WA and of course our wonderful Community members.

What a difference we are all making – Chair of Tidy Towns Toodyay Committee Greg Warburton spoke of this time last year picking up 46 bags of rubbish on one stretch of road, same time this year on the same stretch 2 ½ bags.





From Marg's desk, when she is at it!!

Another year passes another annual report is due.

Where has the year gone and what sort of a year has it been?

I have officially had the "in branch shackles" removed, are no longer responsible for our branch's compliance and are free to wander the country side promoting all the good stuff that we do. Funny I should be the person out and about talking, hard ask for me, but I am just managing.

We have been open for fourteen years and if I was to ask around what is our point of difference and what sets us apart from the big four, I know the answers would be many and varied. We assume that everyone knows our story and that by having all their banking and business with us, it increases our profit and ultimately gives additional funds to distribute back into our community. The biggest revelation to me has been that so many people don't know this basic information and it is time for us to retell our story and go back to basics, sharing our history and our dreams.

If I asked you, what one thing (besides a swimming pool and Rec Centre) would you see as a wonderful addition to our community, not a want, but something that would add benefit and value to our community, what would your answer be? I'd really love to know.
I'd really love for us to sink our energies into a big, wonderful, beneficial, joint partnership project that would be the wow factor, leaving no uncertainty as to the value your banking with us gives.

This past year, as we have continued to support our local sporting and community groups, we have looked at the effects that our ongoing funding is having on the team building and working together capacity of these associations, and realised it is time to revisit our process'. This has been met very positively and we are confident the outcome will be more beneficial for all.

So where to now?

My hope for the new year is to continue telling our story, converting the non believers, delivering amazing customer service, adding resources to our community, increasing our business and moving into uncharted areas that can only benefit us all.

So keep your eyes peeled for the Go Go Bendigo mobile, or give me a wave as I'm pounding the pavements cause you know, I always have time for a chat!!

Marg
Community Liaison Manager



Darwin - hot, humid but a lovely place.

This years national conference was great, most of the board, our manager, our treasurer and Marg all managed to secure a place. This turned out to be a great bonding and team building conference for us all.

Not only did we get to hear about all the latest developments that are coming, we interacted with other community banks and Bendigo Bank staff.

Over two days we heard many speakers, got stuck into some workshops, shared and swapped ideas.

The first night was spent at a crocodile park thanks to Head Office. This was a more relaxing and 'get to know you' night. The drinks flowed, food was enjoyed (we all tasted a bit of croc), spent time with some big crocs and little babies and generally enjoyed the atmosphere.

Day one, plenty of speakers and a bit of workshopping.

Dinner on the waterfront: theme tropical. Great fun and a lot of laughs. A little sad when we didn't win the Hall of Fame but a beer or two washed that away...there is always next year!

Day two, more speakers. One particular speaker; an airline pilot who saved a Boeing plane and his passengers was very motivating and moving. Few more workshops and time to finish up. That evening we all went to a yacht club for dinner before flying home the next day. We enjoyed a great sunset and wrap up to the conference.



National Conference 2014



Toodyay & Districts Community Financial Services Ltd

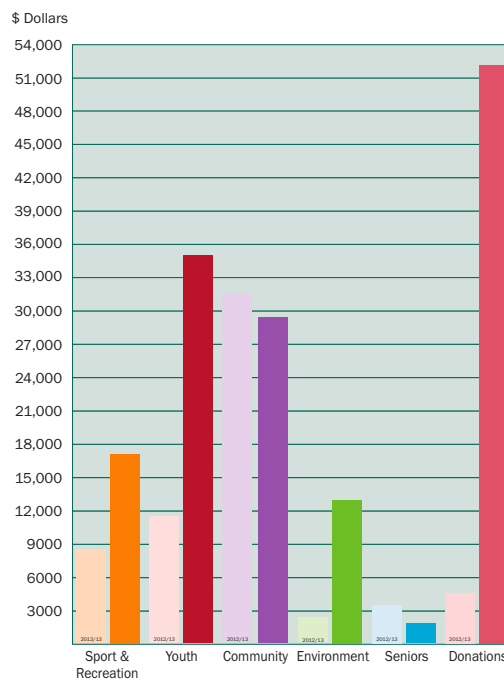
It has been a tough year but we are still in positive growth.
We have tightened the budget for our further growth in Northam.

The below figures show the share of profits that have been presented back to the community since 2004.

2004	2005	2006	2007	2008	2009
\$5,514	\$14,217	\$75,340	\$74,561	\$69,886	\$40,077

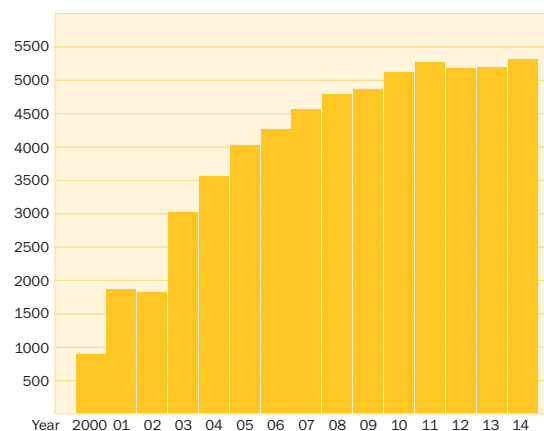
2009/2010	2010/2011	2011/2012	2012/2013	2013/2014
\$59,586	\$70,362	\$40,300	\$62,591	\$142,993

Below is a chart dividing all sponsorships up into areas we have support for both this year and last year.

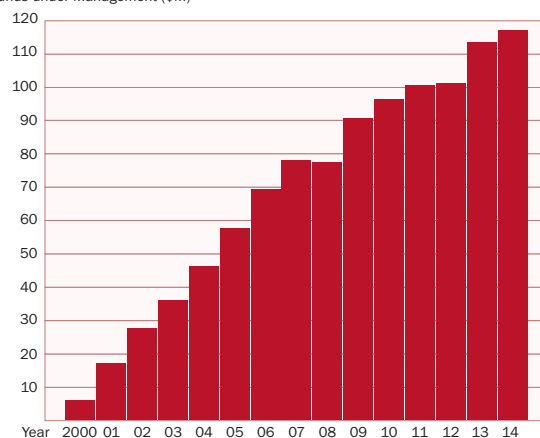


Toodyay and Districts Community Financial Services Limited has been working with the community of Toodyay and the surrounding areas for over 14 successful years and looks forward to many more years of continual growth, support and sponsorship within our community.

Total Account Numbers



Total Funds under Management (\$M)



Vicki Wesley - Non Executive Chairman

Occupation: Business Proprietor

Background: Over 20 years within the sign and printing industry. For the past 17 years she has run her own sign and printing business. Now further expanding into promotional products. Also runs a 14 acre property in Toodyay breeding alpacas. A volunteer fire fighter for Julimar Fire Shed.

A director on the Community Company Board since 2007

Directorships held in other listed entities:
None

Interest on shares and options:
1000 shares

Michael Knowles - Non Executive Director/Secretary

Occupation: Business Proprietor

Background: Has been in Toodyay since 1999. Started and run first business 'Toodyay Freight' for four years. Opened Brewbakers and still having fun.

A director on the Community Company Board since 2009.

Directorships held in other listed entities:
None

Interest on shares and options:
5500 shares

Nyaree Lawler - Non Executive Director

Occupation: Director

Background: Born and raised in Toodyay. Now has two children attending the local school and involved in numerous sporting clubs. Current committee member of the karate club and active in the P & C. Previous secretary of the P & C and committee member and coach of Kindergym. Working as a Diabetes Educator for Wheatbelt GP. Previously worked at local GP surgery as Practise Nurse and for Silver Chain in Toodyay and Northam.

A director on the Community Company Board since 2012.

Directorships held in other listed entities:
None

Interest on shares and options:
None

Alan Jelly - Non Executive Director

Occupation: Community Relations Manager for CY O'Conner Institute

Background: 34 year's experience in retailing, marketing business management and information technology administration. On the board of Northam Chamber of Commerce and Industry.

A director on the Community Company Board since 2003

Directorships held in other listed entities:
None

Interest on shares and options:
2,800 shares (direct) 2,800 shares (indirect)

Elaine Hall - Non Executive Director

Occupation: Accountant

Background: Spent 10 years in the manufacturing industry (Arnott Mill & Ware) as account clerk. Then research librarian with the WA Museum. Moved to practise manager for local GP for 9 years. Finally past 14 years as an accountant in a public practice. Have lived in Toodyay for 29 years. Have been involved in various committees.

A director on the Community Company Board since 2013.

Directorships held in other listed entities:
None

Interest on shares and options:
None

Kristee Jolly - Non Executive Director

Occupation: Customer Service Officer

Background: Born and raised in Toodyay, Kristee has lived here for all 21 years of her life. After leaving high school, she started her own business as a Zumba Fitness instructor which ran successfully for 3 years. She is currently employed at the Shire of Toodyay working in customer service and more recently, youth, marketing, PR and communications. Kristee is an active member of the Toodyay Theatre Group, Agricultural Society, Roadwise Committee and Women's Hockey Club.

A director on the Community Company Board since 2013.

Directorships held in other listed entities:
None

Interest on shares and options:
None

Sally Martin - Non Executive Director (resigned)

Occupation: Business Proprietor

Background: Have been in Toodyay since 1978. Partner in farming enterprise. Over that time has been on various committees such as sporting clubs and the P & C. Presently the Community Member of Toodyay District High School Council.

A director on the Community Company Board since 2011.

Directorships held in other listed entities:
None

Interest on shares and options:
None

Shelley Kingston - Non Director Company Treasurer



During the financial year, 11 meetings of Directors (including committees of Directors) were held. Attendances by each Director during the year were as follows;

Names of Directors	Directors' Meetings	
	Number eligible to attend	Number attended
Vicki Wesley	11	11
Michael Knowles	11	11
Alan Jelly	11	11
Nyaree Lawler	11	10
Elaine Hall (appointed 3/10/13)	9	7
Kristee Jolly (appointed 14/11/13)	6	5
Sally Martin (retired 1/8/13)	2	2
Shelley Kingston	11	11

Non - Director

Company Secretary
Michael Joseph Knowles

Principal activity and review of operations

The principal activity and focus of the Company's operations during the year was the operation of a Branch of Bendigo and Adelaide Bank Limited, pursuant to a franchise agreement.

Operating results

The profit of the Company after providing for income tax amounted to \$61,383.

Dividends paid or recommended

The Company paid or declared for payment dividends of \$41,083 during the year.

Financial position

The net assets of the Company have increased from \$798,835 as at 30 June 2013 to \$819,135 as at 30 June 2014.

The directors believe the Company is in a stable financial position.

Significant changes in state of affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of the Company that occurred during the financial year under review, not otherwise disclosed in these financial statements.

After balance date events

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

Future developments

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report, as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

Options

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

The Directors and Executive do not own any options over issued shares or interests in the Company at the date of this report.

Indemnifying officers or auditor

Indemnities have been given, during and since the end of the financial year, for any persons who are or have been a Director or an officer, but not an auditor, of the Company. The insurance contract prohibits disclosure of any details of the cover.

Environmental issues

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth, State or Territory.

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.

Corporate governance

Corporate Governance deals with issues such as:

- a) The responsibilities and functions of the Company's board, including strategic direction and monitoring management performance.
- b) Board membership.
- c) Audit Committee.
- d) Risk management and the effectiveness of the internal business controls.
- e) Ethical standards.
- f) Accountability to all stakeholders.

The Board recognises the importance of good corporate governance as a means of protecting all current and future stakeholders. Our Company has two tiers of continuous improvement to ensure the highest level of corporate governance in the form of the following:

1. The current set of Policies and Procedures are continually being updated to facilitate greater transparency and efficiency of operation.
2. Board members are continually improving their learning of the board member function by attending and participating in internal and external education opportunities. This ensures that their knowledge is current and informed.

Non-audit services

The Board is 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 below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the Board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do 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.

The following fees for non-audit services were paid/payable to the external auditors during the year ended 30 June 2014:

Taxation services:	\$ 6,800
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Financial Report Year Ending 30 June 2014

Auditor's Independence Declaration

The lead auditor's independence declaration under s 307C of the *Corporations Act 2001* for the year ended 30 June 2014 is included within the financial statements.

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

Director

 MICHAEL JOSEPH KNOWLES

Dated this 23/9/14 day of September 2014



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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Toodyay & Districts Community Financial Services Limited for the year ended 30 June 2014, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS

David Wall

DAVID WALL
Partner

Perth, WA
Dated: 23 SEPTEMBER 2014

Liability limited by a
scheme approved under
Professional Standards
Legislation

Major Offices in:
Perth, Sydney, Melbourne,
Adelaide and Canberra
ABN 36 965 185 036

RSM Bird Cameron Partners is a member of the RSM network. Each member
of the RSM network is an independent accounting and advisory firm which
practises in its own right. The RSM network is not itself a separate legal entity
in any jurisdiction.



Auditor's Independence Declaration

Income Statement Year Ending 30 June 2014

		2014	2013
	Note	\$	\$
Revenue	2	1,016,493	1,032,482
Employee benefits expense		(495,097)	(506,239)
Depreciation and amortisation expense		(39,982)	(48,553)
Finance costs		(1,496)	(4,139)
Other expenses	3	(392,713)	(331,811)
Profit before income tax		87,205	141,740
Income tax expense	4	(25,822)	(42,233)
Profit for the year		61,383	99,507
Other comprehensive income		-	-
Total comprehensive income for the year attributable to members		61,383	99,507

The accompanying notes form part of these financial statements

		2014	2013
	Note	\$	\$
CURRENT ASSETS			
Cash and cash equivalents	6	86,671	29,998
Trade and other receivables	7	89,429	92,817
Other current assets	8	6,904	7,560
Current tax asset	23	-	12,172
TOTAL CURRENT ASSETS		183,004	142,547
NON-CURRENT ASSETS			
Property, plant and equipment	9	733,240	763,222
Intangible assets	10	5,000	15,000
Deferred tax asset	23	27,046	18,377
TOTAL NON-CURRENT ASSETS		765,286	796,599
TOTAL ASSETS		948,290	939,146
CURRENT LIABILITIES			
Trade and other payables	11	49,665	50,933
Short-term financial liabilities	12	8,135	28,275
Short-term provisions	13	69,841	61,103
Current tax liability	23	1,514	-
TOTAL CURRENT LIABILITIES		129,155	140,311
TOTAL LIABILITIES		129,155	140,311
NET ASSETS		819,135	798,835
EQUITY			
Issued capital	14	342,359	342,359
Retained earnings		476,776	456,476
TOTAL EQUITY		819,135	798,835

The accompanying notes form part of these financial statements

Financial Position
Year Ending 30 June 2014

Changes in Equity Year Ending 30 June 2014

	Issued Capital	Retained Earnings	Total
	\$	\$	\$
Balance at 1 July 2012	342,359	401,475	743,834
Total comprehensive income for the year	-	99,507	99,507
Subtotal	342,359	500,982	843,341
Dividends paid or provided for	-	(44,506)	(44,506)
Balance at 30 June 2013	342,359	456,476	798,835
Balance at 1 July 2013	342,359	456,476	798,835
Total comprehensive income for the year	-	61,383	61,383
Subtotal	342,359	517,859	860,218
Dividends paid or provided for	-	(41,083)	(41,083)
Balance at 30 June 2014	342,359	476,776	819,135

The accompanying notes form part of these financial statements

	Note	2014 \$	2013 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		1,019,524	1,013,513
Payments to suppliers and employees		(879,684)	(820,925)
Interest received		357	536
Finance costs		(1,496)	(4,139)
Income tax paid		(20,805)	(80,607)
Net cash provided by operating activities	15	<u>117,896</u>	<u>108,378</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		<u>-</u>	<u>(6,173)</u>
Net cash used in investing activities		<u>-</u>	<u>(6,173)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		(20,140)	(111,013)
Dividends paid		<u>(41,083)</u>	<u>(44,506)</u>
Net cash used in financing activities		<u>(61,223)</u>	<u>(155,519)</u>
Net increase/(decrease) in cash held		56,673	(53,314)
Cash and cash equivalents at beginning of financial year		<u>29,998</u>	<u>83,312</u>
Cash and cash equivalents at end of financial year	6	<u>86,671</u>	<u>29,998</u>

The accompanying notes form part of these financial statements

Statement of Cashflow Year Ending 30 June 2014

1. Statement of significant accounting policies

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report covers the Company as an individual entity. The Company is a public Company, incorporated and domiciled in Australia.

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

The financial report has been prepared on an accruals basis and is based on historical costs modified where applicable by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial statements were authorised for issue on 23 September 2014 by the Directors of the Company.

(a) Income tax

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

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

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

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

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

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

Current tax assets and liabilities are offset where a legally enforceable right of set off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(b) Property, plant and equipment

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

Property

Freehold land and buildings are measured on the cost basis.

Plant and equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets 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 asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial year in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including building and capitalised leased assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives 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 assets are:

Class of Fixed Asset	Depreciation Rate
Buildings	2.5%
Plant and equipment	10% - 40%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

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 or losses are included in the statement of comprehensive income.

(c) Leases

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

Finance leases are capitalised by recording 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 year.

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 charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(d) Financial instruments

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the Company becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the Company no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value 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.

Classification and Subsequent Measurement

i. Financial assets at fair value through profit or loss

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

ii. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

iii. Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

iv. Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

v. Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Derivative instruments

Derivative instruments are measured at fair value. Gains and losses arising from changes in fair value are taken to the statement of comprehensive income unless they are designated as hedges.

The Company does not hold any derivative instruments.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

Financial Guarantees

Where material, financial guarantees issued, which require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due, are recognised as a financial liability at fair value on initial recognition. The guarantee is subsequently measured at the higher of the best estimate of the obligation and the amount initially recognised less, when appropriate, cumulative amortisation in accordance with AASB 118: Revenue. Where the Company gives guarantees in exchange for a fee, revenue is recognised under AASB 118.

The Company has not issued any financial guarantees.

(e) Impairment of assets

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

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

(f) Intangibles

Franchise fee

The franchise fee paid by the Company pursuant to a Franchise Agreement with Bendigo Bank is being amortised over the initial five (5) years period of the agreement, being the period of expected economic benefits of the franchise fee.

(g) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(h) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(i) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(j) Revenue and other income

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

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

(k) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use of sale.

All other borrowing costs are recognised in income in the period in which they are incurred.

(l) 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. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(m) Comparative figures

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

(n) Critical accounting estimates and judgments

The Directors evaluate estimates and judgments incorporated into the financial report 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.

Key estimates — Impairment

The Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

No impairment has been recognised in respect of intangibles for the year ended 30 June 2014. Should the projected turnover figures be materially outside of budgeted figures incorporated in value-in-use calculations, an impairment loss would be recognised up to the maximum carrying value of intangibles at 30 June 2014 amounting to \$5,000.

(o) New Accounting Standards for Application in Future Periods

The company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

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

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2014. The company's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the company, are set out below.

AASB 9 Financial Instruments, 2009-11 Amendments to Australian Accounting Standards arising from AASB 9, 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 and 2012-6 Amendments to Australian Accounting Standards arising from AASB 9

This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2015 and completes phase I of the IASB's project to replace IAS 39 (being the international equivalent to AASB 139 'Financial Instruments: Recognition and Measurement'). This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. The accounting for financial liabilities continues to be classified and measured in accordance with AASB 139, with one exception, being that the portion of a change of fair value relating to the company's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch. The company will adopt this standard from 1 July 2015 but the impact of its adoption is yet to be assessed by the company.

Notes to Financial Statements Year Ending 30 June 2014

	2014 \$	2013 \$
2. Revenue		
Franchise margin income	973,246	990,013
Interest revenue	357	536
Other income	42,890	41,933
	<u>1,016,493</u>	<u>1,032,482</u>
3. Expenses		
Advertising and marketing	23,523	31,982
ATM leasing and running costs	11,503	12,854
Bad debts	13	145
Community sponsorship and donations	142,993	55,798
Freight and postage	15,723	17,063
Insurance	14,013	15,086
IT leasing and running costs	55,007	56,464
Occupancy running costs	25,955	38,292
Printing and stationery	13,520	20,850
Rental	23,857	23,857
Other operating expenses	66,606	59,420
	<u>392,713</u>	<u>331,811</u>
Remuneration of the auditors of the Company		
Audit services	9,350	9,000
Other Services	6,800	6,450
	<u>16,150</u>	<u>15,450</u>

Notes to Financial Statements Year Ending 30 June 2014

	2014 \$	2013 \$
4. Income tax expense		
a. The components of tax expense comprise:		
Current tax	34,491	42,278
Deferred tax (Note 23)	(8,669)	(45)
	25,822	42,233
b. The prima facie tax on profit before income tax is reconciled to the income tax as follows:		
Prima facie tax payable on profit before income tax at 30% (2013: 30%)	26,161	42,522
Add:		
Tax effect of:		
Non deductible depreciation and amortisation	-	-
other non-allowable items	-	404
Less:		
Tax effect of:		
overprovision for income tax in prior years	-	-
other income items	(339)	(693)
Income tax attributable to the Company	25,822	42,233

5. Key management personnel compensation

a. Names and positions

Name	Position
Vicki Wesley	Non-Executive Director / Chairperson
Alan Jelly	Non-Executive Director
Michael Joseph Knowles	Non-Executive Director / Secretary
Sally Martin	Non-Executive Director
Nyaree Lawler	Non- Executive Director
Elaine Hall (appointed 3/10/13)	Non-Executive Director
Kristee Jolly (appointed 14/11/13)	Non-Executive Director

b. Remuneration of Key Management Positions

The total remuneration paid to directors of the company during the year is \$14,200 (2013: \$14,200).

c. Shareholdings

Number of ordinary shares held by key management personnel.

2014

Directors	Ordinary Shares			
	Balance at beginning of period	Purchased during the period	Other changes	Balance at end of period
Elaine Hall	-	-	-	-
Vicki Wesley	1,000	-	-	1,000
Alan Jelly	5,600	-	-	5,600
Michael Knowles	5,500	-	-	5,500
Sally Martin	-	-	-	-
Nyaree Lawler	-	-	-	-
Kristee Jolly	-	-	-	-
	12,100	-	-	12,100

	2014 \$	2013 \$
6. Cash and cash equivalents		
Cash at bank and in hand	<u>86,671</u>	<u>29,998</u>
Reconciliation of cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Cash and cash equivalents	<u>86,671</u>	<u>29,998</u>
7. Trade and other receivables		
Trade debtors	<u>89,429</u>	<u>92,817</u>
a. Provision For Impairment of Receivables		
<p>Current trade and term receivables are non-interest bearing loans and generally on 30-day terms. Non-current trade and term receivables are assessed for recoverability based on the underlying terms of the contract. A provision for impairment is recognised when there is an objective evidence that an individual trade or term receivable is impaired. These amounts will be included in the other expenses item of the statement of comprehensive income.</p> <p>There is no provision for impairment of receivables.</p>		
8. Other assets		
Current		
Prepayments	<u>6,904</u>	<u>7,560</u>

Notes to Financial Statements Year Ending 30 June 2014

Notes to Financial Statements Year Ending 30 June 2014

	2014 \$	2013 \$
9. Property, plant and equipment		
Land and Buildings - cost		
33 Hamersley Street, Toodyay	327,900	327,900
Less: accumulated depreciation	(9,301)	(8,762)
66 Stirling Terrace, Toodyay	346,007	346,007
Less: accumulated depreciation	(37,352)	(34,449)
	<u>627,254</u>	<u>630,696</u>
Plant and Equipment		
Cost	322,478	332,478
Accumulated depreciation	(216,492)	(199,952)
	<u>105,986</u>	<u>132,526</u>
Total property, plant and equipment	<u>733,240</u>	<u>763,222</u>
Reconciliation of the carrying value for each class of property, plant and equipment are set out below:		
Land and buildings		
Balance at the beginning of the year	630,696	635,201
Depreciation expense	(3,442)	(4,505)
Carrying amount at the end of the year	<u>627,254</u>	<u>630,696</u>
Plant and equipment		
Balance at the beginning of the year	132,526	160,400
Depreciation expense	(26,540)	(27,874)
Carrying amount at the end of the year	<u>105,986</u>	<u>132,526</u>

	2014 \$	2013 \$
10. Intangible assets		
Franchise fee		
Cost	50,000	50,000
Accumulated amortisation	<u>(45,000)</u>	<u>(35,000)</u>
	<u>5,000</u>	<u>15,000</u>

Pursuant to a five year franchise agreement with Bendigo and Adelaide Bank Limited, the Company operates a branch of Bendigo and Adelaide Bank Limited, providing a core range of banking products and services.

11. Trade and other payables		
Trade creditors and accruals	38,843	39,437
GST payable	<u>10,822</u>	<u>11,496</u>
	<u>49,665</u>	<u>50,933</u>

12. Financial liabilities		
Current		
Mortgage loan	<u>8,135</u>	<u>28,275</u>
	<u>8,135</u>	<u>28,275</u>

Security:

The bank overdraft and mortgage loan are secured by a floating charge over the Company's assets.

The loans are principal and interest variable facilities taken out to fund purchase of properties at 33 Hamersley Street and 66 Stirling Terrace, Toodyay. The loans have terms of 20 and 25 years, respectively ending on 16 Oct 2032 and 16 Oct 2027. The full amount of the loans outstanding at 30 June 2014 have been classified as a current liability due to a clause in the general terms and conditions of the loan agreement that gives the bank the right to terminate the facility at its annual review for whatever reason.

Notes to Financial Statements Year Ending 30 June 2014

		2014 \$	2013 \$
13.	Provisions		
	Current		
	Provision for employee entitlements	69,841	61,103
	Number of employees at year end	10	10
14.	Equity		
	342,359 (2013: 342,359) fully paid ordinary shares	342,359	342,359
15.	Cash flow information		
	a. Reconciliation of cash flow from operations with profit after tax		
	Profit after tax	61,383	99,507
	Depreciation and amortisation	39,982	48,553
	Movement in assets and liabilities		
	Receivables	3,388	(18,433)
	Other assets	656	(4,539)
	Payables	(1,268)	14,881
	Deferred tax asset	(8,669)	(45)
	Provisions	8,738	6,783
	Current tax liability	13,686	(38,329)
	Net cash provided by operating activities	117,896	108,378
	b. Credit Standby Arrangement and Loan Facilities		
	The Company does not use its bank overdraft facility or have any other loan facilities at 30 June 2014 than those disclosed under Note 12.		

16. Related party transactions

During the year ended 30 June 2014, the following related party transactions occurred:

Vicki Wesley was paid \$14,546 (by way of Grove Wesley Design Art) for signwriting and printing services. The amount was paid under commercial terms and conditions.

	2014	2013
	\$	\$

17. Leasing commitments

Non cancellable operating lease commitment contracted for but not capitalised in the financial statements

Payable

Not longer than 1 year	15,984	27,359
Longer than 1 year but not longer than 5 years	-	18,785
	<u>15,984</u>	<u>46,144</u>

18. Dividends

Distributions paid

Fully franked dividend of 12 cents per share franked (2013 fully franked 13 cents per share)

	<u>41,083</u>	<u>44,506</u>
	<u>41,083</u>	<u>44,506</u>

a. Balance of franking account at beginning of year	270,500	118,400
adjusted for franking credits arising from:		
- payment of provision for income tax	50,695	-
Prior Years tax refunds 2012 and 2013	(29,889)	171,175
- dividends recognised as receivables and franking debits arising from payment of proposed dividends, and franking credits that may be prevented from distribution in subsequent financial years	<u>(17,798)</u>	<u>(19,075)</u>
Balance of franking account at year end	<u>273,508</u>	<u>270,500</u>

**Notes to Financial Statements
Year Ending 30 June 2014**

19. Financial risk management

The Company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, loans, bills and leases.

The directors' overall risk management strategy seeks to assist the Company in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

a. Financial risk management policies

Risk management policies are approved and reviewed by the Board of Directors on a regular basis. These include the credit risk policies and future cash flow requirements.

The main purpose of non-derivative financial instruments is to raise finance for Company operations.

The Company does not have any derivative instruments at 30 June 2014.

b. Financial risk exposures and management

The main risks the Company is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

i. Interest rate risk

Interest rate risk is managed with a mixture of fixed and floating rate debt.

ii. Liquidity risk

The Company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

iii. Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at reporting date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

There are no material amounts of collateral held as security at 30 June 2014.

The Company does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Company.

Credit risk is managed reviewed regularly by the Board of Directors. It arises from exposures to customers as well as through deposits with financial institutions.

The Board of Directors monitors credit risk by actively assessing the rating quality and liquidity of counter parties:

- all potential customers are rated for credit worthiness taking into account their size, market position and financial standing; and
- customers that do not meet the Company's strict credit policies may only purchase in cash or using recognised credit cards.

The trade receivables balances at 30 June 2014 and 30 June 2013 do not include any counterparties with external credit ratings. Customers are assessed for credit worthiness using the criteria detailed above.

c. Financial instrument composition and maturity analysis

The table below reflects the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the statement of financial position.

2014		Variable	Fixed			Total
	Weighted Average Effective Interest Rate	Floating Interest Rate	Within 1 Year	Within 1 to 5 Years	Non Interest Bearing	
Financial Assets						
Cash and cash equivalents	0.5%	86,671	-	-	-	86,671
Loans and receivables		-	-	-	89,429	89,429
Total Financial Assets		86,671	-	-	89,429	176,100
Financial Liability						
Bank loan - secured	5.51%	8,135	-	-	-	8,135
Trade and other payables		-	-	-	48,527	48,527
Credit card	16.64%	1,138	-	-	-	1,138
Total Financial Liabilities		9,273	-	-	48,527	57,800
2013		Variable	Fixed			Total
	Weighted Average Effective Interest Rate	Floating Interest Rate	Within 1 Year	Within 1 to 5 Years	Non Interest Bearing	
Financial Assets						
Cash and cash equivalents	0.62%	29,998	-	-	-	29,998
Loans and receivables	-	-	-	-	92,817	92,817
Total Financial Assets		29,998	-	-	92,817	122,815
Financial Liability						
Bank loan - secured	6.06%	28,275	-	-	-	28,275
Trade and other payables	-	-	-	-	50,702	50,702
Credit card	16.64%	231	-	-	-	231
Total Financial Liabilities		28,506	-	-	50,702	79,208

Notes to Financial Statements
Year Ending 30 June 2014

2014	2013
\$	\$

Trade and sundry payables are expected to be paid as followed:

Less than 6 months	49,665	50,933
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d. Net Fair Values

The net fair values of investments have been valued at the quoted market bid price at reporting date adjusted for transaction costs expected to be incurred. For other assets and other liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than investments. Financial assets where the carrying amount exceeds net fair values have not been written down as the Company intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

Fair values are materially in line with carrying values.

e. Sensitivity Analysis

i. Interest Rate Risk

The Company has performed a sensitivity analysis relating to its exposure to interest rate risk at reporting date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

ii. Interest Rate Sensitivity Analysis

At the reporting date 30 June 2014, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	2014	-2 %		+ 2%	
		Carrying Amount \$	Profit \$	Equity \$	Profit \$
Financial Assets					
Cash and cash equivalents		86,671	(1,733)	(1,733)	1,733
Financial Liability					
Bank loan secured		8,135	163	163	(163)

2013

		-2 %		+ 2%	
	Carrying Amount \$	Profit \$	Equity \$	Profit \$	Equity \$
Financial Assets					
Cash and cash equivalents	29,998	(600)	(600)	600	600
Financial Liability					
Bank loan secured	28,275	566	566	(566)	(566)

20. Operating Segments

Types of products and services by segment

The Company operates in the financial services sector as a branch of Bendigo and Adelaide Bank Limited in Western Australia.

Major customers

The Company operates under the terms of a franchise agreement with Bendigo and Adelaide Bank Limited, which accounts for all of the franchise margin income.

21. Events after the Statement of Financial Position date

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

22. Contingent liabilities and contingent assets

There were no contingent liabilities or contingent assets at the reporting date.

**Notes to Financial Statements
Year Ending 30 June 2014**

Notes to Financial Statements Year Ending 30 June 2014

	2014 \$	2013 \$
23. Tax		
a. Liability		
Current		
Income tax payable	1,514	-
b. Assets		
Current tax receivable	-	12,172
Deferred tax assets comprise:		
Provisions	27,046	18,377
c. Reconciliations		
i. Gross Movements		
The overall movement in the deferred tax account is as follows:		
Opening balance	18,377	18,332
Credit to statement of comprehensive income	8,669	45
Closing balance	27,046	18,377
ii. Deferred Tax Assets		
The movement in deferred tax assets for each temporary difference during the year is as follows:		
Provisions		
Opening balance	18,377	18,332
Credit to the statement of comprehensive income	8,669	45
Closing balance	27,046	18,377

24. Economic dependency – Bendigo and Adelaide Bank Limited

The Company has entered into a franchise agreement with Bendigo and Adelaide Bank Limited that governs the management of the Community Bank branches at Toodyay & Districts, Western Australia.

The branches operate as a franchise of Bendigo Bank, using the name “Bendigo Bank” and the logo and system of operations of Bendigo Bank. The Company manages the Community Bank branches on behalf of the Bendigo Bank, however all transactions with customers conducted through the Community Bank branches are effectively conducted between the customers and Bendigo Bank.

All deposits are made with Bendigo Bank, and all personal and investment products are products of Bendigo Bank, 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 Bank, must be approved by Bendigo Bank. All credit transactions are made with Bendigo Bank, and all credit products are products of Bendigo Bank.

Bendigo Bank 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 branches;
- Training for the branch manager and other employees in banking management systems and interface protocol;
- 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
- Sales techniques and proper customer relations.

25. Company details

The registered office and principal place of business of the Company is:

108 Stirling Terrace

Toodyay WA 6566

Directors' Declaration Year Ending 30 June 2014

The Directors of the Company declare that:

1. the accompanying financial statements and notes are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards; and
 - b. give a true and fair view of the financial position as at 30 June 2014 and of the performance for the year ended on that date of the Company;
2. the financial statements and notes thereto also comply with International Financial Reporting Standards, as disclosed in Note 1; and
3. 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 declaration is made in accordance with a resolution of the Board of Directors.

Director

 MICHAEL JOSEPH KNOWLES

Dated this 23 day of September 2014

**INDEPENDENT AUDITOR'S REPORT
 TO THE MEMBERS OF
 TOODYAY & DISTRICTS COMMUNITY FINANCIAL SERVICES LIMITED**

Report on the Financial Report

We have audited the accompanying financial report of Toodyay & Districts Community Financial Services Limited ("the company"), which comprises the statement of financial position as at 30 June 2014, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. 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*.

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. These Auditing 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 entity's preparation and fair presentation 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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



Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Toodyay & Districts Community Financial Services Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

- (a) the financial report of Toodyay & Districts 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 2014 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

RSM Bird Cameron Partners.

RSM BIRD CAMERON PARTNERS

David Wall

DAVID WALL
Partner

Perth, WA

Dated: 25 SEPTEMBER 2014

We sow the seeds for our ideas
and watch them mature over time
Some may wither away once their time has come
while others blossom and continue to shine...

The staff and the board of Toodyay and Districts Financial Services Ltd
would like to thank our shareholders and customers for their loyal support
over these last 14 years.

In the coming years we can't wait to continue to grow with you,
sow more seeds and watch the ideas blossom to their potential.





**Toodyay & Districts
Community Financial Services Limited**

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