



Tumbarumba Financial
Services Limited

ABN 82 121 010 839

**ANNUAL
REPORT
2013**

Contents

Chairman's report	2
Manager's report	4
Bendigo and Adelaide Bank report	5
Directors' report	7
Auditor's independence declaration	8
Financial statements	9
Notes to the financial statements	13
Directors' declaration	23
Independent audit report	24

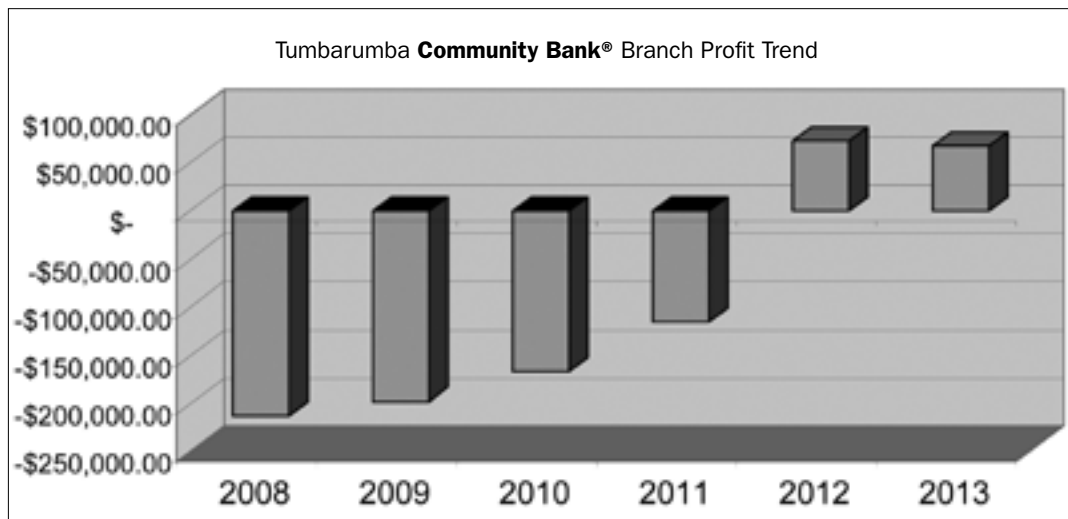
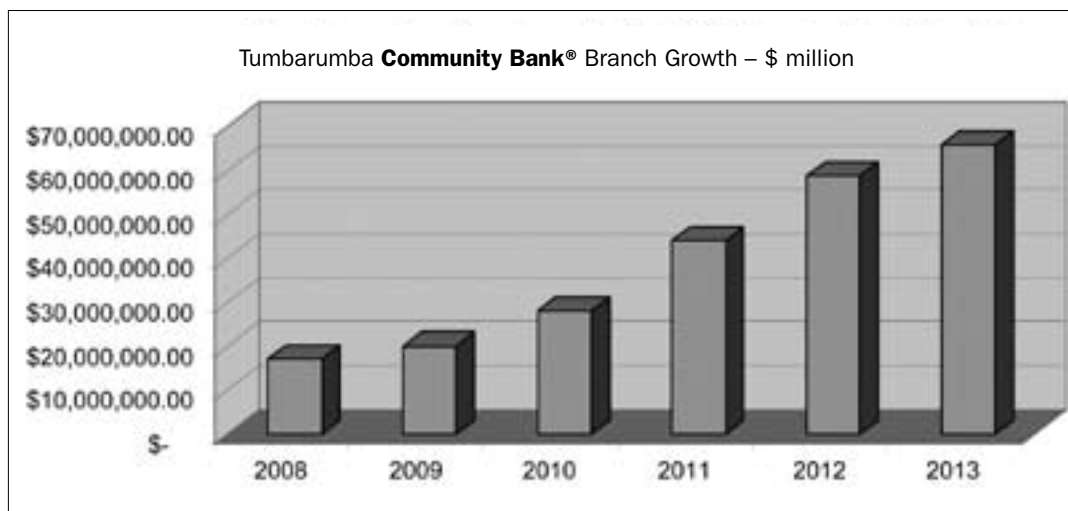
Chairman's report

For year ending 30 June 2013

On behalf of the Board of Directors, I am pleased to advise shareholders of the progress of Tumbarumba **Community Bank**[®] Branch for the 2012/13 financial year.

The business has continued to grow over the last 12 months and has returned a net profit of \$67,425.

The graphs below show the growth in both footings and profits since Tumbarumba **Community Bank**[®] Branch was established in April 2007.



Whilst we have turned a corner we still have some way to go until we can return a dividend to our shareholders. Our priority is to significantly reduce the debt which we incurred while the branch was being established. It is pleasing to note that at the end of 2012/13 financial year, our overdraft has reduced from \$386,950 to \$295,861.

Chairman's report (continued)

As a Board, we will continue to invest our Marketing Development Fund (MDF) from Bendigo and Adelaide Bank into worthwhile community projects. The commitment made to provide funding of \$125,000 towards the upgrade of the Community Sports Hub will be paid for from our MDF over a period of 10 years. This will equate to approx \$16,000 per annum from \$50,000 per annum received for marketing and development.

Thanks must be given to our shareholders for your commitment to Tumbarumba **Community Bank**® Branch.

I would finally like to thank our staff for their dedication and enthusiasm, who are ably led by our Branch Manager Samantha Machell.



Colin Nagle
Chairman

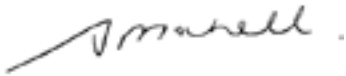
Manager's report

For year ending 30 June 2013

The last 12 months have seen our **Community Bank**[®] branch continue to grow, despite demand for credit remaining low, and competition remaining very strong for retail deposits.

As at 30 June 2013 our total business under management is \$65.813 million which represents an increase of over \$6 million for the financial year. It is expected that growth will reach a plateau at some stage but I believe there is still great opportunity ahead of us.

I would like to thank our staff for their commitment, enthusiasm and ongoing support. We have a strong team and we feel confident that with the support of the wider community, we will continue to grow the business, particularly as the benefits of the **Community Bank**[®] concept gain wider acceptance.



Samantha Machell
Branch Manager

Bendigo and Adelaide Bank report

For year ending 30 June 2013

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

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

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

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

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

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

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

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

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

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

Bendigo and Adelaide Bank report (continued)

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

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

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

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

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

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

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

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

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



Robert Musgrove
Executive Community Engagement

Directors' report

For the financial year ended 30 June 2013

The Directors present their report together with the accounts of Tumbarumba Financial Services Limited for the year ended 30 June 2013.

Directors

The names of Directors who held office during or since the end of the year are:

Colin James Nagle	Lachlan Ian MacKenzie
Anthony Owen A'Beckett	Bruce Bertram Alley
Malcolm Paul Barclay	Martin Joseph Sullivan
Julie Maree Giddings	Daniel Murray Martin
Malcolm Antony Marshall	Dannye Martin Brennan
Jon Burgun	

Principal activities

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

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

Result

The net profit of the company for the financial year after provision for income tax was \$46,617 (2012 profit of \$52,207).

Matters subsequent to the end of the reporting period

There are no matters or circumstances that have arisen since the end of the reporting year that have significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company.

Directors interests and benefits

Since the end of the previous financial year no Director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors shown in the accounts) because of a contract made by the company with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial interest.

Auditor's independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

Dated at Wagga Wagga 16 September 2013

Signed in accordance with a resolution of the Directors:



Colin Nagle
Chairman

Auditor's independence declaration

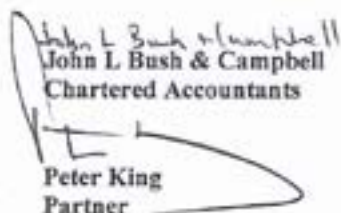


■ PARTNERS
C.J. Long
T.J. Fuller
S.J. Taylor
P.J. King
A.P. Powell
J.K. Maxwell

AUDITORS INDEPENDENCE DECLARATION

As lead auditor for the audit of Tumbarumba Financial Services Limited for the year ended 30 June 2013, I declare that to the best of my knowledge and belief, there have been:

- (a) No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (b) No contraventions of any applicable code of professional conduct in relation to the audit.


John L. Bush & Campbell
John L. Bush & Campbell
Chartered Accountants
Peter King
Partner

Wagga Wagga
16 September 2013

WAGGA WAGGA
P 02 6938 4600 F 02 6921 7539
30 Blake Street, PO Box 98
Wagga Wagga NSW 2650
ABN 33 225 395 249

www.bushcampbell.com.au



Liability limited by a
scheme approved
under Professional
Standards Legislation

Financial statements

Statement of comprehensive income for the year ended 30 June 2013

	Note	2013 \$	2012 \$
Revenues from ordinary activities	2	599,199	559,732
Employee expenses		(284,741)	(259,609)
Advertising and promotion expense		(38,687)	(33,868)
Borrowing costs		(20,077)	(29,406)
Occupancy and associated costs		(33,301)	(33,070)
Depreciation and amortisation		(26,691)	(11,369)
Systems costs		(38,293)	(36,627)
Administration expenses		(89,984)	(83,463)
Net profit from ordinary activities before income tax expense		67,425	72,320
Income tax expense relating to ordinary activities	3	20,808	20,113
Net profit from ordinary activities after related income tax expense		46,617	52,207
Total comprehensive income for the year		46,617	52,207
Earnings per share	17	7.53 cents	8.33 cents

The Statement of Comprehensive Income is to be read in conjunction with the notes to and forming part of the accounts

Financial statements (continued)

Statement of financial position as at 30 June 2013

	Note	2013 \$	2012 \$
Current assets			
Cash	5	150	249
Receivables	6	56,571	59,642
Other current assets	7	-	3,135
Total current assets		56,721	63,026
Non-current assets			
Property, plant & equipment	10	126,090	132,077
Intangible assets	11	50,836	64,700
Deferred tax asset	9	22,950	43,757
Total non-current assets		199,876	240,534
Total assets		256,597	303,560
Current liabilities			
Payables	12	40,247	32,978
Provisions	13	11,584	13,518
Borrowings	8	357,820	456,735
Total current liabilities		409,651	503,231
Total liabilities		409,651	503,231
Net assets		(153,054)	(199,671)
Equity			
Issued capital	14	593,875	593,875
Retained profits	15	(746,929)	(793,546)
Total equity		(153,054)	(199,671)

The Statement of Financial Position is to be read in conjunction with the notes to and forming part of the accounts

Financial statements (continued)

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

	Note	2013 \$	2012 \$
Total equity at the beginning of the period		(199,671)	(251,878)
Net profit for the period		46,617	52,207
Total equity at the end of the period		(153,054)	(199,671)

The Statement of Changes in Equity is to be read in conjunction with the notes to and forming part of the accounts

Financial statements (continued)

Statement of cash flows for the year ended 30 June 2013

	Note	2013 \$	2012 \$
Cash flows from operating activities			
Cash receipts in the course of operations		659,119	605,122
Cash payments in the course of operations		(553,246)	(536,455)
Net cash used by operating activities	16(ii)	105,873	68,667
Cash flows from investing activities			
Payments for property, plant & equipment		(7,057)	-
Net cash used in investing activities		(7,057)	--
Cash flows from financing activities			
Repayment of loan		(7,727)	-
Net cash used in financing activities		(7,727)	-
Net increase / (decrease) in cash held		91,089	68,667
Cash at the beginning of the financial year		(386,950)	(455,617)
Cash at the end of the financial year	16(i)	(295,861)	(386,950)

The Statement of Cash Flows is to be read in conjunction with the notes to and forming part of the accounts

Notes to the financial statements

For year ended 30 June 2013

Note 1. Statement of significant accounting policies

The significant policies that have been adopted in the presentation of these financial statements are:

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001.

(b) Compliance with IFRS

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial statements and notes comply with International Financial Reporting Standards (IFRS). These financial statements and notes comply with IFRS.

(c) Historical cost convention

The financial report has been prepared under the historical cost conventions on an accruals basis as modified by the revaluation of financial assets and liabilities at fair value through profit or loss and where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

(d) Revenue

Interest and fee revenue is recognised when earned. All revenue is stated net of the amount of Goods and Services Tax (GST). The gain or loss on disposal of property, plant and equipment is recognised on a net basis and is classified as income rather than revenue.

(e) Goods and services tax

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

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position. Cash flows are included in the statement of cash flows on a gross basis.

The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operation cash flows.

(f) Income tax

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Notes to the financial statements (continued)

Note 1. Statement of significant accounting policies (continued)

(f) Income tax (continued)

Deferred tax

Deferred tax is accounted for using the comprehensive statement of financial position liability method on temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities reflects the tax consequences that would follow from the manner in which the consolidated entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax and when the balances relate to taxes levied by the same taxation authority and the company/consolidated entity intends to settle its tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the statement of comprehensive income, except when it relates to items credited or debited to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

(g) Employee entitlements

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 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.

The company contributes to a defined contribution plan. Contributions to employee superannuation funds are charged against income as incurred.

(h) Intangibles

The cost of the company's franchise fee has been recorded at cost and is amortised on a straight line basis at a rate of 20% per annum.

(i) Cash

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. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

Notes to the financial statements (continued)

Note 1. Statement of significant accounting policies (continued)

(j) Comparative figures

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

(k) Property, plant and equipment

Plant and equipment, leasehold improvements and equipment under finance lease are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land. Depreciation is calculated on a straight line basis so as to write off the net cost of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated at the rate equivalent to the available building allowance using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

The following estimated useful lives are used in the calculation of depreciation:

- leasehold improvements 40 years
- plant and equipment 2.5 - 40 years
- furniture and fittings 4 - 40 years

(l) Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

There are no estimates or assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(m) Payment terms

Receivables and payables are non interest bearing and generally have payment terms of between 30 and 90 days.

(n) Trade receivables and payables

Receivables are carried at their amounts due. The collectability of debts is assessed at balance date and specific provision is made for any doubtful accounts. Liabilities for trade creditors and other amounts are carried at cost that is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the company.

(o) Borrowings

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

Notes to the financial statements (continued)

Note 1. Statement of significant accounting policies (continued)

(p) Provisions

Provisions are recognised when the economic entity has a legal, equitable or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of past transactions or other past events, it is probable that a future sacrifice of economic benefits will be required and a reliable estimate can be made of the amount of the obligation.

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.

(q) Contributed equity

Ordinary shares are 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.

(r) Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

	2013 \$	2012 \$
Note 2. Revenue		
Operating activities		
Services Commissions	599,199	559,701
	599,199	559,701
Non-operating activities		
Interest		32
	599,199	559,733

Note 3. Income tax expense

The prima facie tax or loss from ordinary activities before income tax is

reconciled as follows:

Operating profit / (loss)	67,425	72,320
Prima facie tax on loss from ordinary activities at 30%	20,228	21,696
Add tax effect of:		
timing difference expense	580	383
blackhole expense		(1,966)
Income tax expense	20,808	20,113

Notes to the financial statements (continued)

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

Note 3. Income tax expense (continued)

Income tax losses

Future income tax benefit arising from tax losses are not recognised at reporting date as a realisation of the benefit is not regarded as virtually certain

Note 4. Profit from ordinary activities

Profit from ordinary activities before income tax has been determined after:

(a) Expenses

Amortisation of intangibles	13,864	6,122
Depreciation of non-current assets	12,830	5,247
Auditors remuneration	9,100	9,000

Note 5. Cash assets

Cash at bank	150	249
	150	249

Note 6. Receivables

Trade debtors	56,253	59,324
Sundry Debtor	318	318
	56,571	59,642

Note 7. Other current assets

Prepayments		3,135
	-	3,135

Note 8. Borrowings

Current

Bank overdraft	296,011	387,199
Loan - Bendigo and Adelaide Bank Limited	61,809	69,536
	357,820	456,735

Notes to the financial statements (continued)

	2013 \$	2012 \$
Note 9. Deferred tax asset		
Future tax benefit	22,950	43,757

Note 10. Property, plant and equipment

Plant and equipment - at cost	55,042	55,042
Less: accumulated depreciation	(46,893)	(38,769)
	8,149	16,273
Leasehold Improvements - at cost	197,442	190,599
Less: accumulated depreciation	(79,501)	(74,795)
	117,941	115,804
Total written down amount	126,090	132,077
Movements in carrying amounts		
Plant and equipment		
Balance at the beginning of the year	16,273	17,218
Additions	-	-
Depreciation	(8,124)	(945)
Carrying amount at the end of the year	8,149	16,273
Leasehold Improvements		
Balance at the beginning of the year	115,804	120,106
Additions	6,843	-
Disposals		
Depreciation	(4,706)	(4,302)
Carrying amount at the end of the year	117,941	115,804

Note 11. Intangible assets

Franchise fee - at cost	69,322	69,322
Less: accumulated depreciation	(18,486)	(4,622)
Total written down amount	50,836	64,700

Note 12. Trade and other payables

Trade creditors	14,475	16,186
Other creditors & accruals	25,772	16,792
	40,247	32,978

Notes to the financial statements (continued)

	2013 \$	2012 \$
Note 13. Provisions		
Employee provisions	11,584	13,518

Note 14. Contributed equity

626,650 Ordinary shares paid at \$1 (2007: 626,650)	626,650	626,650
Less: equity raising expenses	(32,775)	(32,775)
	593,875	593,875

Note 15. Accumulated losses

Opening balance	(793,546)	(845,753)
Net profit from activities after income tax	46,617	52,207
	(746,929)	(793,546)

Note 16. Cash flow information

(i). Reconciliation of cash

For the purpose of the statement of Cash Flows, cash includes cash on hand and at bank. Cash at the end of the financial year as shown in the Statements of Cash Flows is reconciled to the related items in the statement of financial performance as follows:

Cash at bank	(295,861)	(386,950)
---------------------	------------------	------------------

(ii). Reconciliation of operating profit to net cash used in operating activities:

Profit / (loss) for Year:	46,617	52,207
Non cash flows recored in ordinary activities		
Amortisation	13,864	6,122
Depreciation	12,830	5,247
Net cash provided / (used) in operating activities before changes in assets and liabilities during the year		
(Increase) / decrease in receivables	3,071	(9,598)
(Increase) / decrease in other current assets	3,135	9
(Increase)/ Decrease in Future Tax Benefit	20,807	20,113
Increase / (decrease) in payables	7,269	(6,925)
Increase / (decrease) in provisions	(1,720)	1,492
Net cash used in operating activities	105,873	68,667

Notes to the financial statements (continued)

	2013 \$	2012 \$
Note 17. Earnings per share		
(a) Profit / (loss) attributable to ordinary equity holders	46,617	52,207
(b) Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	626,650	626,650

Note 18. Financial instruments

Financial risk management

The company's activities expose it to a limited variety of financial risks: market risk (including currency risk, fair value interest risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the entity. The entity does not use derivative instruments.

Risk management is carried out directly by the Board of Directors.

(i) Market risk

The company has no exposure to any transactions denominated in a currency other than Australian dollars.

(ii) Price risk

The company is not exposed to equity securities price risk as it does not hold investments for sale or at fair value. The company is not exposed to commodity price risk.

(iii) Credit risk

The company has no significant concentrations of credit risk. It has policies in place to ensure that customers have an appropriate credit history. The company's franchise agreement limits the company's credit exposure to one financial institution, being Bendigo and Adelaide Bank Limited.

(iv) Liquidity risk

Prudent liquidity management implies maintaining sufficient cash and marketable securities and the availability of funding from credit facilities. The company believes that its sound relationship with Bendigo and Adelaide Bank Limited mitigates this risk significantly.

(v) Cash flow and fair value interest rate risk

Interest-bearing assets are held with Bendigo and Adelaide Bank Limited and subject to movements in market interest. Interest-rate risk could also arise from long-term borrowings. Borrowings issued at variable rates expose the company to cash flow interest-rate risk. The company believes that its sound relationship with Bendigo and Adelaide Bank Limited mitigates this risk significantly.

Notes to the financial statements (continued)

Note 18. Financial instruments (continued)

Financial risk management (continued)

Financial instrument	Fixed interest rate maturing in											
	Floating interest rate		1 year or less		Over 1 to 5 years		Over 5 years		Non interest bearing		Weighted average effective interest rate	
	2013 \$	2012 \$	2013 \$	2012 \$	2013 \$	2012 \$	2013 \$	2012 \$	2013 \$	2012 \$	2013 %	2012 %
Financial Assets												
Cash assets	150	249	-	-	-	-	-	-	-	-	0.00	0.06
Receivables			-	-	-	-	-	-	56,571	59,642	N/A	N/A
Financial Liabilities												
Payables			-	-	-	-	-	-	40,247	39,903	N/A	N/A
Borrowings	(357,820)	(456,735)	-	-	-	-	-	-	-	-	6.1	7.2

Note 19. Related party transactions

There were no related party transactions between the company and Directors during the year.

The names of the Directors who have held office during the financial year are:

Colin James Nagle	Julie Maree Giddings
Lachlan Ian McKenzie	Daniel Murray Martin
Anthony Owen A'Beckett	Malcolm Anthony Marshall
Bruce Bertram Alleyn	Martin Joseph Sullivan
Malcolm Paul Barclay	Dannye Martin Brennan
Jon Burgun	

Note 20. Company details

The registered office of the company is:

Tumbarumba Financial Services Limited
27 The Parade,
tumbarumba NSW 2653

Note 21. Events occurring after the balance date

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

Notes to the financial statements (continued)

Note 22. Contingent liabilities

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

Note 23. Segment reporting

The economic entity operates in the service sector where it facilitates **Community Bank**[®] services pursuant to a franchise agreement with Bendigo and Adelaide Bank Limited. The economic entity operates in one geographic area being Tumbarumba and surrounding districts of New South Wales.

Directors' declaration

The Directors of the company declare that:

1. The financial statements and notes, are in accordance with the Corporations Act 2001:
 - a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - b) give a true and fair view of the financial position as at 30 June 2013 and of the performance for the year ended on that date of the company and economic entity;
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 declaration is made in accordance with a resolution of the Board of Directors.



Colin Nagle
Chairman

Dated 16 September 2013

Independent audit report



■ PARTNERS:
C.J. Long
T.J. Fuller
S.J. Taylor
P.J. King
A.P. Powell
J.K. Maxwell

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

TUMBARUMBA FINANCIAL SERVICES LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Tumbarumba Financial Services Limited, which comprises the statement of financial position as at 30 June 2013 and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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.

WAGGA WAGGA
P 02 6938 4600 F 02 6921 7539
30 Blake Street, PO Box 98
Wagga Wagga NSW 2650
ABN 33 225 395 249

www.bushcampbell.com.au



Chartered
Accountants
Liability limited by a
scheme approved
under Professional
Standards Legislation

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, provided to the directors of Tumbarumba Financial Services Limited would be in the same terms if provided to the directors as at the date of this auditor's report.

Auditor's Opinion

In our opinion,

- a. the financial report of Tumbarumba Financial Services Limited is in accordance with the Corporations Act 2001, including:
 - i. giving a true and fair view of the company's financial position as at 30 June 2013 and of their performance for the year ended on that date; and
 - ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.


JOHN L BUSH & CAMPBELL
Chartered Accountants


Peter King
Partner

Wagga Wagga
16 September 2013

Tumbarumba **Community Bank**® Branch
27 The Parade, Tumbarumba NSW 2653
Phone: (02) 6948 3399

Franchisee: Tumbarumba Financial Services Limited
27 The Parade, Tumbarumba NSW 2653
Phone: (02) 6948 3399
ABN: 82 121 010 839

www.bendigobank.com.au/tumbarumba
(BMPAR13142) (10/13)

