

Annual Report 2015

Tumbarumba Financial
Services Limited

ABN 82 121 010 839

Tumbarumba **Community Bank**[®] Branch

Contents

Chairman's report	2
Manager's report	3
Directors' report	4
Auditor's independence declaration	5
Financial statements	6
Notes to the financial statements	10
Directors' declaration	20
Independent audit report	21

Chairman's report

For year ending 30 June 2015

Following another pleasing financial result, the Board is pleased to announce that following consultation with our Auditors and Bendigo and Adelaide Bank Limited that we are able to pay an unfranked dividend of 5c per share.

Our net profit after income tax expense was \$64,485 and our overdraft has been reduced to \$116,484 a reduction of \$96,030 from the previous financial year.

The banking environment has been a tough one for several years now, not just in our community but also nationally, but indeed globally.

If we continue to deliver a great service in partnership with Bendigo and Adelaide Bank Limited, this will continue to strengthen our business and our performance.

Directors continue to focus on the need to grow the business and are working on a number of strategies to achieve this. Our Branch Manager Samantha Machell and the staff are committed to providing exceptional service to our customers – as always, we greatly appreciate their passion and enthusiasm.

Finally, I would like to sincerely thank our patient shareholders for the investment they made which enabled Tumbarumba **Community Bank**[®] Branch to be established.



Colin Nagle
Chairman

Manager's report

For year ending 30 June 2015

It is with pleasure that I report on the progress of Tumbarumba **Community Bank**[®] Branch as at 30 June 2015.

The last 12 months have been a busy and enjoyable time for our team and we are fortunate to have capable, enthusiastic and professional staff. I would like to thank Merissa, Sue, Jane and Shanan for all their hard work.

It is positive to note our lending book has increased by \$2.672 million despite a reduction in debt of over \$3 million through our customers selling property and repaying debt. Whilst the business growth overall has plateaued, I believe there is still great opportunity ahead.

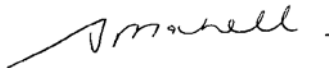
Building deeper banking relationships with our customers will be a strong focus in the next 12 months.

Although the local community have embraced our **Community Bank**[®] branch there may be some potential clients that are not fully aware of what banking products and services we are able to offer as well as the size of the Bendigo Bank branch network.

Together with my staff, I look forward to welcoming new business and the opportunity to take care of our valued customers.

As a shareholder we thank you for your support. If you're banking with your **Community Bank**[®] branch – thank you. If you're not, then it's worth asking yourself the question 'Am I able to investigate further with local branch staff products and services that may assist in achieving my financial goals?'

Finally I would like to acknowledge our Board of Directors for their support and advocacy of the **Community Bank**[®] model.



Samantha Machell
Branch Manager

Directors' report

For the financial year ended 30 June 2015

The Directors present their report together with the accounts of Tumbarumba Financial Services Limited for the year ended 30 June 2015.

Directors

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

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

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 \$64,485 (2014 profit of \$154,098).

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 31 August 2015

Signed in accordance with a resolution of the Directors:



Colin Nagle
Chairman

Auditor's independence declaration



■ DIRECTORS:
S.J. Taylor CA
P.J. King CA
A.P. Powell CA
D.R. Uden CA
J.K. Maxwell CPA
Affiliate CAANZ

AUDITORS INDEPENDENCE DECLARATION

As lead auditor for the audit of Tumbarumba Financial Services Limited for the year ended 30 June 2015, 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
31 August 2015

WAGGA WAGGA
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Financial statements

Statement of Comprehensive Income for the year ended 30 June 2015

	Note	2015 \$	2014 \$
Revenues from ordinary activities	2	611,038	617,559
Employee expenses		(307,726)	(322,059)
Advertising and promotion expense		(41,288)	(20,087)
Borrowing costs		(7,624)	(12,713)
Occupancy and associated costs		(41,849)	(36,153)
Depreciation and amortisation		(21,183)	(19,130)
Systems costs		(23,225)	(22,824)
Administration expenses		(76,022)	(86,793)
Net profit from ordinary activities before income tax expense		92,121	97,800
Income tax expense relating to ordinary activities	3	27,636	(56,298)
Net profit from ordinary activities after related income tax expense		64,485	154,098
Total comprehensive income for the year		64,485	154,098
Earnings per share	16	10.29 cents	24.59 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 2015

	Note	2015 \$	2014 \$
Current assets			
Cash	5	1,396	271
Receivables	6	55,534	56,175
Total current assets		56,930	56,446
Non-current assets			
Property, plant & equipment	9	146,897	120,824
Intangible assets	10	23,108	36,972
Deferred tax asset	8	51,612	79,248
Total non-current assets		221,617	237,044
Total assets		278,547	293,490
Current liabilities			
Payables	11	19,953	29,690
Provisions	12	18,615	14,610
Borrowings	7	174,450	248,146
Total current liabilities		213,018	292,446
Total liabilities		213,018	292,446
Net assets		65,529	1,044
Equity			
Issued capital	13	593,875	593,875
Retained profits	14	(528,346)	(592,831)
Total equity		65,529	1,044

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 2015

	2015	2014
	\$	\$
Total equity at the beginning of the period	-45,573	-199,671
Net profit for the period	64,485	154,098
Total equity at the end of the period	18,912	-45,573

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 2015

	Note	2015 \$	2014 \$
Cash flows from operating activities			
Cash receipts in the course of operations		672,783	679,711
Cash payments in the course of operations		(564,570)	(569,916)
Net cash used by operating activities	15(ii)	108,213	109,795
Cash flows from investing activities			
Payments for property, plant & equipment		(33,392)	-
Net cash used in investing activities		(33,392)	-
Cash flows from financing activities			
Proceeds from borrowings		34,787	
Repayment of loan		(15,453)	(23,177)
Net cash used in financing activities		19,334	(23,177)
Net increase / (decrease) in cash held		94,155	86,618
Cash at the beginning of the financial year		(209,243)	(295,861)
Cash at the end of the financial year	15(i)	(115,088)	(209,243)

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 2015

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
- Motor vehicles	5 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.

	2015 \$	2014 \$
Note 2. Revenue		
Operating activities		
Services Commissions	611,038	617,559
	611,038	617,559
Non-operating activities		
Interest		
	611,038	617,559

Note 3. Income tax expense

The prima facie tax or loss from ordinary activities before income tax is reconciled as follows:

Operating profit /(loss)	92,121	97,800
Prima facie tax on loss from ordinary activities at 30%	27,636	29,340
Add/(less) tax effect of:	-	-
Recognition of carry forward tax losses for first time	-	(85,638)
Income tax expense	27,636	(56,298)

Notes to the financial statements (continued)

	2015 \$	2014 \$
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Note 4. Profit from ordinary activities

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

(a) Expenses

Amortisation of intangibles	13,864	13,864
Depreciation of non-current assets	7,319	5,266
Auditor's remuneration	9,500	9,450

Note 5. Cash assets

Cash at bank	1,396	271
	1,396	271

Note 6. Receivables

Trade debtors	54,708	55,857
Sundry debtor	826	318
	55,534	56,175

Note 7. Borrowings

Current

Bank overdraft	116,484	209,514
Loan - Bendigo and Adelaide Bank Limited	23,179	38,632
Equipment finance	34,378	-
Bendigo and Adelaide Bank Limited credit card	409	-
	174,450	248,146

Note 8. Deferred tax asset

Future tax benefit	51,612	79,248
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Note 9. Property, plant and equipment

Plant and equipment - at cost	55,042	55,042
Less: accumulated depreciation	(47,452)	(47,175)
	7,590	7,867

Notes to the financial statements (continued)

	2015 \$	2014 \$
Note 9. Property, plant and equipment (continued)		
Leasehold improvements - at cost	197,442	197,442
Less: accumulated depreciation	(89,469)	(84,485)
	107,973	112,957
Motor vehicles - at cost	33,392	-
Less: accumulated depreciation	(2,058)	-
	31,334	-
Total written down amount	146,897	120,824
Movements in carrying amounts		
Plant and equipment		
Balance at the beginning of the year	7,867	8,149
Depreciation	(277)	(282)
Carrying amount at the end of the year	7,590	7,867
Leasehold improvements		
Balance at the beginning of the year	112,957	117,941
Depreciation	(4,984)	(4,984)
Carrying amount at the end of the year	107,973	112,957
Motor vehicles		
Additions	33,392	-
Depreciation	(2,058)	-
Carrying amount at the end of the year	31,334	-

Note 10. Intangible assets

Franchise fee - at cost	69,322	69,322
Less: accumulated amortisation	(46,214)	(32,350)
Total written down amount	23,108	36,972

Note 11. Trade and other payables

Trade creditors	9,518	10,268
Other creditors & accruals	10,435	19,422
	19,953	29,690

Notes to the financial statements (continued)

	2015 \$	2014 \$
Note 12. Provisions		
Annual leave	13,826	-
Long service leave	4,789	-
Employee provisions	18,615	14,610

Note 13. Contributed equity

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

Note 14. Accumulated losses

Opening balance	(592,831)	(746,929)
Net profit from activities after income tax	64,485	154,098
	(528,346)	(592,831)

Note 15. 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	(115,088)	(209,243)
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(ii). Reconciliation of operating profit to net cash used in operating activities:

Profit / (loss) for Year:	64,485	154,098
Non cash flows recored in ordinary activities		
Amortisation	13,864	13,864
Depreciation	7,319	5,266
Net cash provided / (used) in operating activities before changes in assets and liabilities during the year		
(Increase) / decrease in receivables	641	396
(Increase) / decrease in other current assets	-	-
(Increase)/ Decrease in Future Tax Benefit	27,636	(56,298)
Increase / (decrease) in payables	(9,737)	(10,557)
Increase / (decrease) in provisions	4,005	3,026
Net cash used in operating activities	108,213	109,795

Notes to the financial statements (continued)

	2015 \$	2014 \$
Note 16. Earnings per share		
(a) Profit / (loss) attributable to ordinary equity holders	64,485	154,098
(b) Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	626,650	626,650

Note 17. 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 17. Financial instruments (continued)

(v) Cash flow and fair value interest rate risk (continued)

Fixed interest rate maturing in

Financial	Floating interest		Fixed interest rate maturing in						Non interest bearing		Weighted average effective interest rate	
			1 year or less		Over 1 to 5 years		Over 5 years					
	2015 \$	2014 \$	2015 \$	2014 \$	2015 \$	2014 \$	2015 \$	2014 \$	2015 \$	2014 \$	2015 %	2014 %
Financial assets												
Cash assets	1,396	271	-	-	-	-	-	-	-	-	0.06	0.06
Receivables			-	-	-	-	-	-	55,534	56,175	N/A	N/A
Financial liabilities												
Payables			-	-	-	-	-	-	19,953	29,690	N/A	N/A
Borrowings	(174,450)	(248,146)	-	-	-	-	-	-	-	-	6.1	7.2

Note 18. 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 Alleyne	Martin Joseph Sullivan
Malcolm Paul Barclay	Dannye Martin Brennan
Jon Burgun	

Note 19. Company details

The registered office of the company is:

Tumbarumba Financial Services Limited
27 The Parade,
Tumbarumba NSW 2653

Note 20. 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 21. Contingent liabilities

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

Note 22. 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 2015 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 31 August 2015

Independent audit report



DIRECTORS:
S.J. Taylor CA
P.J. King CA
A.P. Powell CA
D.R. Uden CA
J.K. Maxwell CPA
Affiliate CAANZ

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 2015 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.

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Independent audit report (continued)

Independence

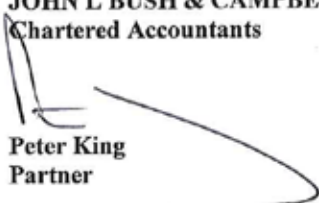
In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of Tumbarumba Financial Services Limited would be in the same terms if provided to the 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 2015 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
JOHN L BUSH & CAMPBELL
Chartered Accountants


Peter King
Partner

Wagga Wagga
31 August 2015

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Phone: (02) 6948 3399

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