Annual Report 2016

Tumbarumba Financial Services Limited

ABN 82 121 010 839

Tumbarumba **Community Bank**® Branch

Contents

Chairman's report

For year ending 30 June 2016

On behalf of the Board of Directors, I am pleased to provide an update of the progress of **Community Bank**® Branch in Tumbarumba made in the 2015/16 financial year.

Our net profit after income tax expense was $48,924 and our overdraft has been reduced to $50,764 a reduction of $65,720 from the previous financial year.

Our priority is the reduction of the overdraft and to continue to return a dividend to our shareholders.

We expect the overdraft will be repaid in full during the 2016/17 financial year and that a dividend will be declared in the coming months.

I would like to thank our Branch Manager Samantha Machell and the staff for their ongoing commitment. They provide exceptional service and are dedicated to continuing to grow the business.

I would also like to thank our customers and shareholders who have helped us to establish and continue to provide services and support to our local community. I must also thank my fellow Directors who volunteer their time to ensure the community enterprise continues to run and be a vital part of our community.

Colin Nagle
Chairman

Manager's report

For year ending 30 June 2016

It is with pleasure that I report on the progress of Tumbarumba **Community Bank**® Branch.

As at 30 June 2016 our total business footings are $75.6 million. This represents an increase of $5.8 million during the financial year.

During the year, we welcomed Karen Halden to the team who has bought with her six years of banking experience and a great deal of passion.

We have a wonderful team who have been withTumbaruma **Community Bank**® Branch for some time.

Samantha Machell	Branch Manager	Five years
Merissa Richmond	Customer Relationship Manager	Five years
Shanan Battle	Customer Service Officer	Three years
Jane Lane	Customer Service Officer	Three years
Karen Halden	Customer Service Officer	Seven months

We will continue to focus on building deeper banking relationships with our existing customers and looking for further opportunities to grow the business.

Finally I would like to thank our staff and our Board of Directors for their dedication and support.

Samantha Machell
Branch Manager

Bendigo and Adelaide Bank report

For year ending 30 June 2016

It's been 18 years since Bendigo Bank and two rural communities announced they were joining forces to open **Community Bank**® branches.

The initial aim was to return traditional bank branches to regional communities.

It was soon obvious that the 'community' aspect of this unique banking model was going to be just as important to all types of communities; whether they are rural, regional or urban.

Today, there are 312 **Community Bank**® communities in every state and territory of Australia.

The statistics are impressive:

- More than $148 million in community contributions returned to local communities
- 1,900 Directors
- 1,500 staff
- More than $38 million in shareholder dividends.

Yes, these figures are staggering.

But dig a little deeper and what's more significant is that social issues affecting every community in Australia have received funding from **Community Bank**® companies.

- Aged care
- Domestic and family violence
- Environment
- Youth disengagement
- Mental health
- Homelessness
- Unemployment

I have no doubt that your **Community Bank**® company has already had a role to play, either in a funding grant, sponsorship support or connecting locals with relevant government, corporate and not-for-profit organisations.

Behind every **Community Bank**® branch is a company Board of Directors. These people are local mums and dads, tradespeople, small business operators, farmers, lawyers, accountants, school teachers, office workers… and the list goes on.

As **Community Bank**® company Directors they volunteer their time, their professional expertise and their local knowledge to make your **Community Bank**® branch the success it is today.

To every single one of our 1,900-plus **Community Bank**® company Directors, thank you for your commitment, your confidence in Bendigo and Adelaide Bank and your vision to make your community a better place to live.

As a **Community Bank**® community, you're all change makers.

As a shareholder, you're critical to helping make things happen for the benefit of your community.

On behalf of Bendigo Bank, thank you.

Thank you for your support as a shareholder, your belief in your community and your faith in what a **Community Bank**® community can achieve.

Robert Musgrove
Executive Community Engagement

Directors' report

For the financial year ended 30 June 2016

The Directors present their report together with the accounts of Tumbarumba Financial Services Limited for the year ended 30 June 2016.

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	Lloyd Mildren

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 $48,924 (2015 profit of $64,485).

Directors' meetings

The company of Directors' meetings and number of meetings attended by each of the Directors of the company during the financial year are:

Director	Number attended	Number eligible to attend	Director	Number attended	Number eligible to attend
Colin Nagle	5	11	Bruce Alleyn	6	11
Anthony A'Beckett	11	11	Martin Sullivan	8	11
Malcolm Barclay	6	11	Daniel Martin	9	11
Julie Giddings	6	11	Dannye Brennan	-	11
Malcolm Marshall	5	11	Jon Burgun	-	11
Lachlan MacKenzie	9	11	Lloyd Mildren	5	7

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 this 15 September 2016.

Signed in accordance with a resolution of the Directors:

Colin Nagle
Director

Auditor's independence declaration

John L
Bush & Campbell Accountants
Experts by your side.

PARTNERS:
P.J. King CA
A.P. Powell CA
J.K. Maxwell CPA
Affiliate CAANZ
D.R. Uden CA
R.K. Nicoll CA

AUDITORS INDEPENDENCE DECLARATION

As lead auditor for the audit of Tumbarumba Financial Services Limited for the year ended 30 June 2016, 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
15 September 2016

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CHARTERED ACCOUNTANTS
AUSTRALIA + NEW ZEALAND

Liability limited by a scheme approved under Professional Standards Legislation

Financial statements

Statement of Comprehensive Income
for the year ended 30 June 2016

	Notes	2016 $	2015 $
Revenues from ordinary activities	2	606,987	611,038
Employee expenses		(319,501)	(307,726)
Advertising and promotion expense		(32,780)	(41,288)
Borrowing costs		(5,030)	(7,624)
Occupancy and associated costs		(32,954)	(41,849)
Depreciation and amortisation		(26,988)	(21,183)
Systems costs		(21,443)	(23,225)
Administration expenses		(96,901)	(76,022)
Net profit from ordinary activitiesbefore income tax expense		**71,390**	**92,121**
Income tax expense relating to ordinary activities	3	(22,466)	(27,636)
Net profit from ordinary activities after related income tax expense		**48,924**	**64,485**
Total comprehensive income for the year		**48,924**	**64,485**
Earnings per share	**16**	**7.8 cents**	**10.29 cents**

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

Statement of Financial Position as at 30 June 2016

	Notes	2016 $	2015 $
Current assets			
Cash	5	1,643	1,396
Receivables	6	56,811	55,534
Total current assets		**58,454**	**56,930**
Non-current assets			
Deferred tax asset	7	29,146	51,612
Property, plant & equipment	8	133,773	146,897
Intangible assets	9	9,244	23,108
Total non-current assets		**172,163**	**221,617**
Total assets		**230,617**	**278,547**
Current liabilities			
Payables	10	34,536	19,953
Provisions	11	12,816	13,826
Borrowings	12	65,368	146,609
Total current liabilities		**112,720**	**180,388**
Non current liabilities			
Provisions	11	13,863	4,789
Borrowings	12	20,914	27,841
Total non current liabilities		**34,777**	**32,630**
Total liabilities		**147,497**	**213,018**
Net assets		**83,120**	**65,529**
Equity			
Issued capital	13	593,875	593,875
Retained profits	14	(510,755)	(528,346)
Total equity		**83,120**	**65,529**

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

Statement of Changes in Equity
for the year ended 30 June 2016

	Issued capital $	Profits reserve $	Retained earnings $	Total $
Balance as at 1 July 2014	593,875		(592,831)	1,044
Profit / (loss) for the year	-	64,485		64,485
Transfers		(64,485)	64,485	-
Balance as at 30 June 2015	**593,875**	**-**	**(528,346)**	**65,529**
Profit / (loss) for the year	-	48,924		48,924
Dividends paid	-	(31,333)		(31,333)
Transfers		(17,591)	17,591	-
Balance as at 30 June 2016	**593,875**	**-**	**(510,755)**	**83,120**

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

Statement of Cash Flows
for the year ended 30 June 2016

	Notes	2016 $	2015 $
Cash flows from operating activities			
Cash receipts in the course of operations		605,710	672,783
Cash payments in the course of operations		(485,962)	(564,570)
Net cash used by operating activities	**15(ii)**	**119,748**	**108,213**
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
Dividends paid		(31,333)	-
Repayment of loan		(22,448)	(15,453)
Net cash used in financing activities		**(53,781)**	**19,334**
Net increase / (decrease) in cash held		**65,967**	**94,155**
Cash at the beginning of the financial year		(115,088)	(209,243)
Cash at the end of the financial year	**15(i)**	**(49,121)**	**(115,088)**

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 2016

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

<u>Current tax</u>

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).

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.

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.

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 of 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.

	2016 $	2015 $

Note 2. Revenue

	2016 $	2015 $
Operating activities		
Services Commissions	606,986	617,559
	606,986	**617,559**
Non-operating activities		
Interest	1	-
	606,987	**617,559**

Note 3. Income tax expense

	2016 $	2015 $
The prima facie tax or loss from ordinary activities before income tax is reconciled as follows:		
Operating Profit /(Loss)	71,390	92,121
Prima facie tax on loss from ordinary activities at 28.5% (2015 - 30%)	20,346	27,636
Add/(less) tax effect of:		
- Restatement of deferred tax asset due to change in tax rate	2,120	-
Income tax expense	**22,466**	**27,636**

	2016 $	2015 $

Note 4. Profit from ordinary activities

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

	2016 $	2015 $
(a) Expenses		
Amortisation of intangibles	13,864	13,864
Depreciation of non-current assets	13,124	7,319
Auditors renumeration	9,600	9,500

Note 5. Cash assets

	2016 $	2015 $
Cash at bank	1,643	1,396
	1,643	**1,396**

Note 6. Receivables

	2016 $	2015 $
Trade debtors	55,985	54,708
Sundry Debtor	826	826
	56,811	**55,534**

Note 7. Defered tax asset

	2016 $	2015 $
Future tax benefit	**29,146**	**51,612**

Note 8. Property, plant and equipment

	2016 $	2015 $
Plant and equipment - at cost	55,042	55,042
Less: accumulated depreciation	(47,727)	(47,452)
	7,315	**7,590**
Leasehold Improvements - at cost	197,442	197,442
Less: accumulated depreciation	(94,463)	(89,469)
	102,979	**107,973**
Motor vehicles - at cost	33,392	33,392
Less: accumulated depreciation	(9,913)	(2,058)
	23,479	**31,334**
Total written down amount	**133,773**	**146,897**

	2016 $	2015 $

Note 8. Property, plant and equipment (continued)

i) Movements in carrying amounts

	2016 $	2015 $
Plant and equipment		
Balance at the beginning of the year	7,590	7,867
Depreciation	(275)	(277)
Carrying amount at the end of the year	**7,315**	**7,590**
Leasehold Improvements		
Balance at the beginning of the year	107,973	112,957
Depreciation	(4,994)	(4,984)
Carrying amount at the end of the year	**102,979**	**107,973**
Motor vehicles		
Additions	31,334	33,392
Depreciation	(7,855)	(2,058)
Carrying amount at the end of the year	**23,479**	**31,334**

Note 9. Intangible assets

	2016 $	2015 $
Franchise fee - at cost	69,322	69,322
Less: accumulated amortisation	(60,078)	(46,214)
Total written down amount	**9,244**	**23,108**

Note 10. Trade and other payables

	2016 $	2015 $
Trade creditors	7,917	9,518
Other creditors & accruals	26,619	10,435
	34,536	**19,953**

Note 11. Provisions

	2016 $	2015 $
Current		
Annual leave	12,816	13,826
Total current	**12,816**	**13,826**
Non current		
Long service leave	13,863	4,789
Total non current	**13,863**	**4,789**
Total provisions	**26,679**	**18,615**

	2016 $	2015 $

Note 12. Borrowings

	2016 $	2015 $
Current		
Bank overdraft	50,764	116,484
Loan - Bendigo and Adelaide Bank Limited	7,726	23,179
Equipment finance	6,878	6,537
Bendigo Bank Credit Card	-	409
Total current	**65,368**	**146,609**
Non current		
Equipment finance	20,914	27,841
Total non current	**20,914**	**27,841**
Total borrowings	**86,282**	**174,450**

Note 13. Contributed equity

	2016 $	2015 $
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

	2016 $	2015 $
Opening balance	(528,346)	(592,831)
Net profit from activities after income tax	48,924	64,485
Dividends paid	(31,333)	-
	(510,755)	**(528,346)**

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:

	2016 $	2015 $
Cash at bank (Note 5)	1,643	1,396
Bank overdraft (Note 12)	(50,764)	(116,484)
Total cash	**(49,121)**	**(115,088)**

	2016 $	2015 $

Note 15. Cash flow information (continued)

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

Profit / (loss) for year:	**48,924**	**64,485**
Non cash flows recored in ordinary activities		
Amortisation	13,864	13,864
Depreciation	13,124	7,319
Net cash provided / (used) in operating activities before changes in assets and liabilities during the year		
(Increase) / decrease in receivables	(1,277)	641
(Increase)/ Decrease in Future Tax Benefit	22,466	27,636
Increase / (decrease) in payables	14,583	(9,7 37)
Increase / (decrease) in provisions	8,064	4,005
Net cash used in operating activities	**119,748**	**108,213**

Note 16. Earnings per share

(a) Profit / (Loss) attributable to ordinary equity holders	**48,924**	**64,485**
(b) Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	626,650	626,650

Note 17. Dividends

Dividends paid for the year were at 5c per share (2015 - no dividend paid)

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.

Note 18. Financial instruments (continued)

(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 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 Bank Limited mitigates this risk significantly.

(v) Cash flow and fair value interest rate risk

Interest-bearing assets are held with Bendigo 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 Bank Limited mitigates this risk significantly.

Fixed interest rate maturing in												
	Floating		1 year or less		Over 1 to 5 years		Over 5 years		Non interest bearing		Weighted average Effective Interest rate	
Financial	2016 $	2015 $	2016 $	2015 $	2016 $	2015 $	2016 $	2015 $	2016 $	2015 $	2016 %	2015 %
Financial assets												
Cash assets	1,643	1,396	-	-	-	-	-	-	-	-	0.05	0.06
Receivables	-	-	-	-	-	-	-	-	56,811	55,534	N/A	N/A
Financial liabilities												
Payables	-	-	-	-	-	-	-	-	34,536	19,953	N/A	N/A
Borrowings	(86,282)	(174,450)	-	-	-	-	-	-	-	-	4.3	6.1

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

Notes to the financial statements (continued)

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.

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**® branch services pursuant to a franchise agreement with Bendigo 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 2016 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
Director

Dated at Wagga Wagga this 15 September 2016

Independent audit report

John L
Bush & Campbell Accountants
Experts by your side.

PARTNERS:
P.J. King CA
A.P. Powell CA
J.K. Maxwell CPA
Affiliate CAANZ
D.R. Uden CA
R.K. Nicoll CA

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 2016 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.

CHARTERED ACCOUNTANTS
AUSTRALIA • NEW ZEALAND

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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 2016 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
15 September 2016

Tumbarumba **Community Bank**® Branch
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Franchisee: Tumbarumba Financial Services Limited
27 The Parade, Tumbarumba NSW 2653
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ABN: 82 121 010 839

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