Tumbarumba **Community Bank**® Branch

Tumbarumba Financial Services Limited

ABN 82 121 010 839

2018 Annual Report

Contents

Chairman's report

For year ending 30 June 2018

On behalf of the Board of Directors I am pleased to provide an update on the progress of Tumbarumba **Community Bank**® Branch.

The net profit of the company after income tax was $74,262 (2017 profit of $115,530).

Whilst the business footings increased by $4.244 million revenue decreased slightly and expenses increased. We anticipate that revenue will increase in the coming financial year due to Tumbarumba Financial Services moving over to the new Funds Transfer Pricing Model with Bendigo Bank.

Expenses were also higher than usual due to additional staffing to cover maternity leave, staff development and review of staff remuneration, in particular our Branch Manager who has rendered us sterling service and had not received an increase in remuneration in five years.

We continue to recognise the initial contribution of our shareholders and are pleased to be able to pay another dividend this year that will be franked.

Our Directors are committed to ensuring the community enterprise continues to be a vital part of our community. I would like to thank them for being advocates and volunteering their time.

Finally, I would like to thank our Branch Manager Samantha Machell and the staff for their ongoing commitment and contribution to the continuing success of Tumbarumba **Community Bank**® Branch.

Colin Nagle
Chairman

Manager's report

For year ending 30 June 2018

As at 30 June 2018 our total business footings are $92.047 million. This represents an increase of $4.244 million during the financial year and this growth was distributed relatively evenly between lending and deposits.

During the year Madison Duncombe joined the team to cover maternity leave positions and has settled in well.

Our team is working well together and we share a combined passion in growing our business.

Each team member has developed a plan suited to their aspirations and capabilities. These plans will see an increased focus in community involvement and awareness, learning new skills, and ultimately growing our business further.

During the year I was fortunate to take part in the Leadership Excellence development program. I have learnt much that I am able to share with the team and I was grateful to have been able to participate.

Finally, I would like to thank our customers, Board and staff for their support.

S Machell.

Samantha Machell
Branch Manager

Directors' report

For the financial year ended 30 June 2018

The Directors present their report together with the accounts of Tumbarumba Financial Services Limited for the year ended 30 June 2018.

Directors

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

Colin James Nagle
Anthony Owen A'Beckett
Lloyd Mildren
Julie Maree Giddings
Malcolm Antony Marshall
Lachlan Ian MacKenzie
Bruce Bertram Alleyn
Martin Joseph Sullivan
Daniel Murray Martin
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 $74,262 (2017 profit of $115,530).

Director's 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
Colin Nagle	6	9
Anthony A'Beckett	8	9
Lloyd Mildren	6	9
Julie Giddings	5	9
Malcolm Marshall	4	9
Lachlan MacKenzie	7	9

Director	Number Attended	Number eligible to attend
Bruce Alleyn	8	9
Martin Sullivan	3	9
Daniel Martin	8	9
Dannye Brennan	-	9
Jon Burgun	-	9

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' report (continued)

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 25 September 2018.

Signed in accordance with a resolution of the Directors:

Colin Nagle
Director

John L
Bush & Campbell Accountants
Experts by your side.

PARTNERS:
P.J. King CA
A.P. Powell CA
D.R. Uden CA
R.K. Nicoll CA
M.A. Smith CA

AUDITORS INDEPENDENCE DECLARATION

As lead auditor for the audit of Tumbarumba Financial Services Limited for the year ended 30 June 2018, 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
25 September 2018

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
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 2018

	Notes	2018 $	2017 $
Revenues from ordinary activities	2	677,204	684,428
Employee expenses		(362,547)	(314,484)
Advertising and promotion expense		(49,428)	(38,833)
Borrowing costs		(8,171)	(2,617)
Occupancy and associated costs		(35,479)	(35,442)
Depreciation and amortisation		(28,421)	(23,371)
Systems costs		(20,203)	(19,786)
Administration expenses		(70,525)	(89,132)
Net Profit from ordinary activities before income tax expense		**102,430**	**160,763**
Income tax expense relating to ordinary activities	3	(28,168)	(45,233)
Net profit from ordinary activities after related income tax expense		**74,262**	**115,530**
Total comprehensive income for the year		**74,262**	**115,530**
Earnings per share	**16**	**11.9 cents**	**18.4 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 2018

	Notes	2018 $	2017 $
Current assets			
Cash	5	36,524	603
Receivables	6	60,362	65,718
Total current assets		**96,886**	**66,321**
Non-current assets			
Deferred tax asset	7	17,260	11,701
Property, plant & equipment	8	336,947	330,264
Intangible assets	9	50,962	64,393
Total non-current assets		**405,169**	**406,358**
Total assets		**502,055**	**472,679**
Current liabilities			
Payables	10	57,895	50,305
Provisions	11	20,970	15,934
Borrowings	12	41,588	43,121
Total current liabilities		**120,453**	**109,360**
Non current liabilities			
Provisions	11	30,486	19,874
Borrowings	12	140,870	176,128
Total non current liabilities		**171,356**	**196,002**
Total liabilities		**291,809**	**305,362**
Net assets		**210,246**	**167,317**
Equity			
Issued capital	13	593,875	593,875
Retained profits	14	(383,629)	(426,558)
Total equity		**210,246**	**167,317**

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 2018

	Issued capital $	Profits reserves $	Retained earnings $	Total $
Balance as at 1 July 2016	593,875		(510,755)	83,120
Profit / (loss) for the year	-	115,530		115,530
Dividends paid		(31,333)		(31,333)
Transfers		(84,197)	84,197	-
Balance as at 30 June 2017	**593,875**	**-**	**(426,558)**	**167,317**
Profit / (loss) for the year	-	74,262		74,262
Dividends paid	-	(31,333)		(31,333)
Transfers		(42,929)	42,929	-
Balance as at 30 June 2018	**593,875**	**-**	**(383,629)**	**210,246**

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 2018

	Notes	2018 $	2017 $
Cash flows from operating activities			
Cash receipts in the course of operations		680,888	675,521
Cash payments in the course of operations		(556,841)	(503,183)
Net cash used by operating activities	**15(ii)**	**124,047**	**172,338**
Cash flows from investing activities			
Purchase of intangibles		-	(67,153)
Proceeds from sale of plant & equipment		16,364	-
Payments for property, plant & equipment		(36,366)	(207,859)
Net cash used in investing activities		**(20,002)**	**(275,012)**
Cash flows from financing activities			
Proceeds from borrowings		17,000	207,670
Dividends paid		(31,333)	(31,333)
Repayment of loans		(50,304)	(27,426)
Net cash used in financing activities		**(64,637)**	**148,911**
Net increase / (decrease) in cash held		**39,408**	**46,237**
Cash at the beginning of the financial year		(2,884)	(49,121)
Cash at the end of the financial year	**15(i)**	**36,524**	**(2,884)**

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 2018

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, property 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:

- Buildings and 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.

(s) Standards and Interpretations issued not yet effective

At the date of authorisation of the financial report, the Standards and Interpretations listed below were in issue but not yet effective. These standards have not been applied in the financial report and the Directors do not expect the new standards to have a significant impact on the financial statements.

Standard/ Interpretation	Nature of change	Effective for annual reporting periods beginning	Expected to be initially applied in the financial year ending
AASB 9 Financial Instruments	AASB 9 addresses the classification, measurement and de-recognition of financial assets and liabilities.	30-Jun-19	30-Jun-20
AASB 15 Revenue from Contracts with Customers	AASB 15 replaces AASB 118 which details the recognition of revenue. The new standard is based on the principal that revenue is recognised when specific performance obligations are met.	1-Jan-18	30-Jun-19
AASB 16 Leases	AASB 16 removes the distinction between operating and finance leases, consequently the majority of leases will be recognised on the balance sheet. Under the new standard, an asset (the right to use the leased item) and a financial liability to for future rental payments are recognised.	1-Jan-19	30-Jun-20

	2018 $	2017 $

Note 2. Revenue

	2018 $	2017 $
Operating activities		
Services Commissions	671,362	684,428
	671,362	**684,428**
Non-operating activities		
Sundry income	4,170	-
Profit on sale of asset	1,672	
Interest	-	-
	677,204	**684,428**

Note 3. Income tax expense

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

	2018 $	2017 $
Operating Profit /(Loss)	102,430	160,763
Prima facie tax on loss from ordinary activities at 27.5%	28,168	44,210
Add/(less) tax effect of:		
- Restatement of deferred tax asset due to change in tax rate	-	1,023
Income tax expense	**28,168**	**45,233**

Note 4. Profit from ordinary activities

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

	2018 $	2017 $
(a) Expenses		
Amortisation of intangibles	13,431	12,003
Depreciation of non-current assets	14,990	11,368
Auditors renumeration	10,100	9,700

Note 5. Cash assets

	2018 $	2017 $
Cash at bank	36,524	603
	36,524	**603**

	2018 $	2017 $

Note 6. Receivables

Trade debtors	59,737	64,991
Sundry debtor	625	727
	60,362	**65,718**

Note 7. Defered tax asset

Future tax benefit	**17,260**	**11,701**

Note 8. Property, plant and equipment

Plant and equipment - at cost	55,042	55,042
Less: accumulated depreciation	(48,254)	(47,997)
	6,788	**7,045**
Land & Buildings - at cost	417,120	405,301
Less: accumulated depreciation	(109,439)	(99,707)
	307,681	**305,594**
Motor vehicles - at cost	24,546	33,392
Less: accumulated depreciation	(2,068)	(15,767)
	22,478	**17,625**
Total written down amount	**336,947**	**330,264**
i) Movements in carrying amounts		
Plant and equipment		
Balance at the beginning of the year	7,045	7,315
Depreciation	(257)	(270)
Carrying amount at the end of the year	**6,788**	**7,045**
Leasehold improvements		
Balance at the beginning of the year	305,594	102,979
Additions	11,819	207,859
Depreciation	(9,732)	(5,244)
Carrying amount at the end of the year	**307,681**	**305,594**

	2018 $	2017 $

Note 8. Property, plant and equipment (continued)

Motor vehicles		
Balance at the beginning of the year	17,625	23,479
Additions	24,545	-
Disposal	(14,692)	-
Depreciation	(5,000)	(5,854)
Carrying amount at the end of the year	**22,478**	**17,625**

Note 9. Intangible assets

Franchise fee - at cost	67,153	67,153
Less: accumulated amortisation	(16,191)	(2,760)
Total written down amount	**50,962**	**64,393**

Note 10. Trade and other payables

Trade creditors	6,838	6,307
Income tax payable	31,354	36,895
Other creditors & accruals	19,703	7,103
	57,895	**50,305**

Note 11. Provisions

Current		
Annual leave	20,970	15,934
Total current	**20,970**	**15,934**
Non current		
Long service leave	30,486	19,874
Total non current	**30,486**	**19,874**
Total provisions	**51,456**	**35,808**

Note 12. Borrowings

	2018 $	2017 $
Current		
Bank Overdraft	-	3,487
Loan - Bendigo and Adelaide Bank Limited (Franchise Fee)	13,614	13,614
Loan - Bendigo and Adelaide Bank Limited (Property Loan)	18,684	18,936
Equipment Finance	9,084	6,878
Bendigo Bank Credit Card	206	206
Total Current	**41,588**	**43,121**
Non Current		
Equipment Finance	2,466	13,725
Loan - Bendigo and Adelaide Bank Limited (Franchise Fee)	27,228	40,842
Loan - Bendigo and Adelaide Bank Limited (Property Loan)	111,176	121,561
Total Non Current	**140,870**	**176,128**
Total Borrowings	**182,458**	**219,249**

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	(426,558)	(510,755)
Net profit from activities after income tax	74,262	115,530
Dividends paid	(31,576)	(31,333)
	(383,872)	**(426,558)**

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 (Note 5)	36,524	603
Bank overdraft (Note 12)	-	(3,487)
Total cash	**36,524**	**(2,884)**

	2018 $	2017 $
Note 15. Cash flow information (continued)		
(ii). Reconciliation of operating profit to net cash used in operating activities:		
Profit / (loss) for year:	74,262	115,530
Non cash flows recored in ordinary activities		
Amortisation	13,431	12,003
Profit on sale of asset	(1,672)	-
Depreciation	14,990	11,368
Net cash provided / (used) in operating activities before changes in assets and liabilities during the year		
(Increase) / decrease in receivables	5,356	(8,907)
(Increase)/ Decrease in Future Tax Benefit	(5,559)	17,445
Increase / (decrease) in payables	7,591	15,770
Increase / (decrease) in provisions	15,648	9,129
net cash used in operating activities	**124,047**	**172,338**

Note 16. Earnings per share

(a) Profit / (Loss) attributable to ordinary equity holders	**74,262**	**115,530**
(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 (2017: 5c per share).

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)

Financial risk management (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											
											Weighted average	
	Floating		1 year or less		Over 1 to 5 years		Over 5 years		Non interest bearing		Effective Interest rate	
Financial	2018 $	2017 $	2018 $	2017 $	2018 $	2017 $	2018 $	2017 $	2018 $	2017 $	2018 %	2017 %
Financial assets												
Cash assets	36,524	603	-	-	-	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-	-	60,362	65,718	N/A	N/A
Financial liabilities												
Payables	-	-	-	-	-	-	-	-	57,895	50,305	N/A	N/A
Borrowings	141,616	164,793	-	-	-	-	-	-	40,842	54,456	4.5	4.3

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
Dannye Martin Brennan
Jon Burgun
Julie Maree Giddings
Daniel Murray Martin
Malcolm Anthony Marshall
Martin Joseph Sullivan
Lloyd Mildren

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**® 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 2018 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 25 September 2018

Independent audit report

John L
Bush & Campbell Accountants
Experts by your side.

PARTNERS:
P.J. King CA
A.P. Powell CA
D.R. Uden CA
R.K. Nicoll CA
M.A. Smith CA

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF

TUMBARUMBA FINANCIAL SERVICES LIMITED

Opinion
We have audited the accompanying financial report of Tumbarumba Financial Services Limited, which comprises the statement of financial position as at 30 June 2018, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration.

In our opinion, 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 2018 and of their performance for the year ended on that date; and
(ii) complying with Australian Accounting Standards - Reduced Disclosure Regime and the *Corporations Regulations 2001*.

Basis for Opinion
We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Information Other than the Financial Report and Auditor's Report Thereon
The Directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

CHARTERED ACCOUNTANTS
AUSTRALIA + NEW ZEALAND

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

Directors' Responsibility for the Financial Report

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

In preparing the financial report, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/Home.aspx. This description forms part of our auditor's report.

John L Bush + Campbell

JOHN L BUSH & CAMPBELL
Chartered Accountants

Peter King
Partner

Wagga Wagga
25 September 2018

Tumbarumba **Community Bank**® Branch
27 The Parade, Tumbarumba NSW 2653
Phone: (02) 6948 3399 Fax: (02) 6948 3722

Franchisee: Tumbarumba Financial Services Limited
27 The Parade, Tumbarumba NSW 2653
Phone: (02) 6948 3399 Fax: (02) 6948 3722
ABN: 82 121 010 839

www.bendigobank.com.au/tumbarumba

(BNPAR18090) (10/18)