COLERAINE & DISTRICT
FINANCIAL SERVICES LIMITED
ABN 77 102 030 017

2015 Annual Report

Coleraine & District
Community Bank® Branch

Contents

Chairman's Report

I am pleased to report to shareholders on another successful year for Coleraine & District Financial Services Ltd.

We have continued to see a very tight climate for creating income from banking margins, and our revenue dropped by $20,000 even though our funds under management did increase slightly in the 12 months.

It has not been a climate for risk taking, and there is a low appetite for borrowing.

The re-balancing of profit share between Bendigo Adelaide Bank and Coleraine & District Financial Services Ltd continues to be reflected in the comparison between 2014 and 2015 figures, and other product earning factors also came into play.

Expenses however, have been contained as much as possible and we have managed profit before donations and sponsorship of $84,380, and profit before tax of $36,821. Our Manager and staff have contained expenses within the branch as much as possible, and we acknowledge their efforts as a team, to deliver value to our community.

Tax planning, and maximising our profit through the medium of the Community Enterprise Foundation™, have been tools assisting us, and I would like to thank our Treasurer Tim Johnston, and Accountant Jodie Missen at GJ Waters, for their great work. This is the first year that we have paid tax, as accumulated losses generated in the early days of our business have now been exhausted from a tax position.

The gradual increase in capital held is pleasing – we are in a sound position on our balance sheet.

Once again a significant return of funds to community programs has been achieved, and the cumulative total of funds returned over the twelve years of our operation is now in excess of $530,000.

Our Manager, Directors and the Rural Bank local representatives have all worked to develop further relationships with Balmoral, Merino and Casterton communities. We truly are Coleraine & District **Community Bank®** Branch.

Our Directors have attended several in-house Director training sessions, and some Directors have managed external sessions as well. I do thank them for giving due importance to this critical area of Board responsibilities. As I tell them, 'you don't know what you don't know' and Director Education will inform you! I also thank Directors Quentin Baudinette and Simon Ferrier for attending the Darwin Conference. I also thank Region Manager Scott Whatley for his great support for staff and Directors, which has considerably enhanced the Branch functioning and the Board confidence.

Unfortunately Catherine Egan was unable to remain in a Director position for family reasons, and retired during the year. We thank her for her service, however we are not really saying farewell, as we hope to just keep the seat warm until the timing is right! Fortunately Beccy Wishart was able to step into the Director role and already has been a significant contributor. Her skills and her local knowledge will be very valuable.

Key Directors played an important role for Bendigo Bank in advocacy around the Murray Report recommendations into the level of capitalisation that all banks should hold against their mortgage lending.

Our local Federal MP Dan Tehan was welcomed into our branch, and this situation around capitalisation of small and regional banks versus the significantly lower level of capitalisation required of the major banks, was explained in a local context. We are pleased to see the Murray Report largely adopted, with APRA now requiring the major banks to significantly lift their capitalisation, and to have better practice around investor housing loans. This will create a much fairer competitive climate for banks with a substantial regional base such as Bendigo and Adelaide Bank, and we hope our competitiveness will be rewarded with enhanced business.

In the meantime, all the community can enjoy the Community Dividend provided to multiple organisations locally as profit is redistributed. We thank our customers for providing the means to strengthen our local community.

I have had the great privilege of being Chairman of this busy organisation for the past six years, but I will now step down from the role and a new Chairman will be appointed at the Board meeting following the Annual General Meeting.

I thank all Directors and staff with whom I have worked since the inception of this company. The insight into community organisations and their work for this district has been truly inspiring. I will be remaining on the Board to enable a smooth transition, and look forward to continuing success for our organisation.

C L Coulson

Coralie Coulson GAICD

Chairman

Coleraine & District Financial Services Ltd

Manager's Report

I feel very privileged to be presenting my 5th Annual Report as Branch Manager of Coleraine & District **Community Bank®** Branch. We can all be very proud of our achievements and feel we can continue to play an important role in our local community.

We enter the 12th year of operations with a total portfolio of $69.1 million, 1,800 customers holding 2,757 deposit and loan accounts. Our 2,000 customer is well within reach.

Since becoming our Rural Bank representatives, Jo Hogg and Hugh McDonald have been instrumental in growing our funds under management in the Agribusiness space to $16.2 million. They bring expertise and an understanding of the needs and challenges in the rural sector and are happy to pay farmers a visit to discuss needs and goals for the future.

Our branch has some definite goals to achieve for this coming financial year:

- To add value to our customers, with every interaction, to assist you reach your financial goals.
- To be service orientated and be willing to go that extra mile for you.
- To grow our funds under management to $75 million dollars.
- Continue to assist our local community grow and prosper.

Once again, to reach these goals we need your continued support and advise that we do offer a full suite of financial products and services. Please tell your family, friends and neighbours about us so we can reach our goals and ensue continuing profits from our business are put back in to the community.

Our branch opened for business 12 years ago and we have now put back to the local community a staggering $530,718 by way of sponsorships, community grants and shareholder dividends – A milestone celebrated in August 2015 with a week of fun activities in branch organised by staff.

Some of our major contributions for this last financial year include:

- $4,000 to Coleraine kindergarten to assist with running their three year-olds program
- Ongoing major sponsorships to both Coleraine and Harrow Balmoral football clubs – GO Maroons and Kangaroos
- $5,000 to Merino Golf Club for an upgrade of machinery
- $5,000 Coleraine Bowling Club to upgrade facilities in the clubrooms

- $4,500 Coleraine Men's shed to assist with the fit out of their new shed
- $2,650 in subsidies for young customers and non-customers to attend driver education courses at Harrow
- Various grants to deserving local youth to assist them peruse their athletic and academic goals
- $3,172 to send 2 local young people with leadership potential to Magic Moments Youth Leadership program

My dedicated staff continue to amaze me with their commitment to their roles, both at work and in the community. To Janelle Tooley, Justin Bryant, Megan Mould, Anne Cvetnic and Andrea McClure, I offer my sincere thanks for all your dedication and hard work over the year.

Our staff are involved in many local events and fundraising activities. Bowling Club auction run by staff that raised over $4,000, Serra Terror, Movember (Justin), bake sale to raise funds for the Starlight Foundation, raffle to assist with academic and sporting pursuits of some of our local youth, meals on wheels, Community Garden Association, service to various committees and the Pedal Car Grand Prix, just to name a few.

I also thank our Chairman Coralie Coulson, Deputy Chairman Grant Little, Secretary John Kane and all the Board of Directors for their guidance and assistance given to the Branch over the past year. I look forward to continuing to work with you all to develop and grow our business and forge new opportunities within and beyond our immediate district.

Thank you to all our loyal customers, shareholders and partners for their belief in our **Community Bank®** branch and remember a wise director once said "When you understand the concept, why wouldn't you bank with us?"

Jeanette McDonnell

Branch Manager

Bendigo and Adelaide Bank report

For year ending 30 June 2015

In the 2015 financial year, the **Community Bank®** network opened its 310th branch and community contributions since the model's inception exceed $130 million. Both of these achievements could not have been achieved without your ongoing support as a shareholder, customer and advocate of what is a truly unique way of banking for the benefit of your local community.

Local communities continue to embrace the **Community Bank®** model, a banking movement founded on the simple belief that successful customers and successful communities create a successful bank.

Seventeen years later communities are still approaching us and the model is as robust and relevant as ever, however a review of what we were doing, why and how we could do it better was timely.

During an 18 month period the Bank, in partnership with the **Community Bank®** network, undertook a comprehensive review of the **Community Bank®** model. Project Horizon was the largest single engagement process ever undertaken by our organisation.

As a result, a focus for the next 18 months will be the implementation of 64 recommendations. What was overwhelmingly obvious is that our **Community Bank®** network, and our Bank, care deeply about what has been developed and in what the future holds for the network.

In the early days of **Community Bank®** development, the **Community Bank®** model was seen as a way to restore branch banking services to rural towns, regional cities and metropolitan suburbs after the last of the banks closed their doors.

Today, although the focus is still about providing banking services, there is perhaps an even greater interest in the way in which the model creates a successful community enterprise used to effectively, and sustainably, build community capacity.

In October 2014, we welcomed **Community Bank®** branches in Bacchus Marsh, Kilmore, Maffra, Kwinana and Nubeena. All of these branches join a strong and mature banking network where valued partnerships enhance banking services, taking the profits their banking business generates and reinvesting that funding into initiatives to ultimately strengthen their community.

Following consultation with local residents and business owners responding to other banks reducing their branch presence, Aldinga Beach **Community Bank®** Branch opened the Willunga Customer Service Centre in April 2015, providing a full banking service to local people five days a week.

The **Community Bank®** model is a great example of shared value and was centre stage at an international Shared Value conference in the United States earlier this year.

Funding generated by **Community Bank®** branches support projects that make a difference to a community. But no matter how big or small the place people call home, the **Community Bank®** network recognises that when they act as one, powered by the good that money can bring, bigger things can happen for local towns, regions and states.

In WA, a $125,000 commitment to Ronald McDonald House by Collie & Districts **Community Bank®** Branch resulted in a further $125,000 from 21 branches (both community and company owned) in the state.

In QLD, Longreach farming families are now feeding their stock thanks to a dedicated Rotary Club and financial contributions from 16 **Community Bank®** (and company) branches.

Across regional and rural NSW, young people are today better drivers thanks to a driver education program supported by **Community Bank®** branches and across Australia, 58 young people headed off to their first year of university with the help of a **Community Bank®** scholarship.

Bendigo and Adelaide Bank report (continued)

Interest in the **Community Bank®** model remains strong, with 20 **Community Bank®** sites currently in development and a further six **Community Bank®** branches expected to open nationally during the next 12 months.

The network's steady expansion demonstrates the strength and relevance of a banking model where the desire to support the financial needs of customers is equalled by the desire to support the community with the good that money can bring.

By the end of the financial year 2014/15 the **Community Bank®** network achieved the following:

- Returns to community – over $130 million since the model's inception
- **Community Bank®** branches – 310
- **Community Bank®** branch staff – more than 1,500
- **Community Bank®** company Directors – 1,946
- Banking business – $28.79 billion
- Customers – 699,000
- Shareholders – 74,393
- Dividends paid to shareholders since inception – $38.6 million

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

In Bendigo and Adelaide Bank, your **Community Bank®** company has a committed and strong partner and over the last financial year our company has continued its solid performance. Our Bank continues to be rated at least "A-" by Standard & Poor's, Moody's and Fitch in recognition of its strong performance in the face of what continues to be a challenging economic environment.

Our **Community Bank®** partners played an integral role in the Bank's involvement in the Financial Systems Inquiry, lobbying their local Federal Government representatives and calling for a level playing field.

Recent APRA announcements regarding changes to risk weights on mortgages will positively impact our Bank – providing customers with a level playing field by giving them more choice from a wider variety of financial providers.

Thanks to the efforts of our people, our peers and **Community Bank®** partners, we're starting to see the benefits. In continuing to take a collaborative approach, we act as one network driving positive outcomes for all Australians.

As **Community Bank®** company shareholders you are part of a unique banking movement.

The model offers an alternative way to think about banking and the role banks play in modern society, and because of your support there really is no limit to what can be achieved for local people and the communities in which you live.

Thank you for your ongoing support of your local **Community Bank®** branch.

Robert Musgrove
Executive Community Engagement

COLERAINE AND DISTRICT FINANCIAL SERVICES LIMITED
Community Grants, Donations & Sponsorships
Approved For Year ended 30th June 2015

Community Grants:

- Merino Golf Club – second hand tractor $5,000
- Balmoral Bush Nursing Centre – Men's Shed At Balmoral $10,000 **$15,000**

Schools:

- Coleraine Primary School – fete raffle $300
- Coleraine Primary School – swimming program x 2 $1,000
- Coleraine Kindergarten – 3 year old kinder sessions $4,000
- Year 6 Graduation Bursaries (18 students x $100 3 schools) $1,800 **$7,100**

Sporting:

- Harrow/Balmoral Football & Netball Club (2 year deal) $5,000
- Coleraine Football & Netball Club (5 year deal) $3,000
- Coleraine Bowling Club $360
- Coleraine Racing Club $1,750
- Hamilton and District Cricket Association (3 year deal) $500
- Casterton Cycling Event $500
- Merino Golf Club $300 **$11,410**

Community:

- Balmoral Lions Club - Show 'n' Shine $250
- Coleraine & District Development Association..storage, Art Show, Carnival $1,500
- Coleraine RSL – 100th Gallipoli anniversary – dawn service $400
- Coleraine Lions Club – rock 'n roll evening $500
- Coleraine Apex Club – show bag fillers x 170 $200
- Coleraine P & A Society – Show Day events $2,000
- Community Car Petrol (Hospital) $1,000
- Promenade of Sacred Music (silver sponsor) $350
- Carapook Rural Fire Brigade – generator lighting $750
- Merino Community Festival $1,000
- "Magic Moments" – 2 students for Leadership Course $3,172
- "AustDrive" – driver education program 33 students! $2,650 **$13,772**

Charitable:

- Medeleine de Salis – school trip to Indonesia $200
- Annie O'Connell – school trip to Kiribati $200
- Emily Baudinette – school trip to Kiribati $200
- Rebecca Langley – overseas athletics competition $500
- Tracey Plunkett fund raiser $500
- Needy family in Coleraine $500 **$2,100**

Marketing:

- Collaborative Marketing $4,500 **$4,500**

GRAND TOTAL: $53,882

** The above projects were approved by the Board during 2014/15 and some will be expended in 2015/16 **

Coleraine and District Financial Services Limited
ACN 102 030 017
Directors' Declaration

In accordance with a resolution of the directors of Coleraine and District Financial Services Limited, the Directors of the company declare that:

1 The financial statements and notes, as set out on pages 6 to 30 are in accordance with the Corporations Act 2001 and:

(i) comply with Australian Accounting Standards which, as stated in accounting policy Note 1(a) to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and

(ii) give a true and fair view of the company's financial position as at 30 June 2015 and of the performance for the year ended on that date;

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 resolution is made in accordance with a resolution of the Board of Directors.

Director

Signed at Coleraine on 1st September 2015.

Coleraine and District Financial Services Limited
ACN 102 030 017
Directors' Report

Your directors present their report of the company for the financial year ended 30 June 2015.

Directors

The following persons were directors of Coleraine and District Financial Services Limited during or since the end of the financial year up to the date of this report:

Name and position held	Qualifications	Experience and other Directorships
Coralie Louise Coulson Chairperson Appointed: 14/10/2002	Diploma: Orthoptics, Australian College of Ophthalmology. 1974 Australian Institute Company Directors 2010	Employed as an Orthoptist in private Ophthalmological practices & Adelaide Children's Hospital 1975-1981 Practice Manager, Coleraine Casterton Medical, 1997-2003 Councillor, Southern Grampians Shire Council 2004-2008 Other Directorships: Director, Glenelg Hopkins Catchment Management Authority 2009 - 2013. Director, Great South Coast Group (Regional Development body) 2012 - current
Elizabeth Mary Britten Director Appointed: 13/11/2008	BA,B Mus, Dip Ed (Melb Uni)	Teacher, St Catherine's School, Toorak 2 yrs Volunteer with OSB in PNG 2 years Principal, the Hermitage in Geelong, Assistant to Head Master at GGS; Research Assistant Educ. Dept. Melb; Principal Shelford Grammar, Caulfield until retirement in 1991.
Grant James Little Director Appointed: 23/11/2004	Graduate Diploma of Strategic Business. Masters of Business Management	15 years managing Nareen Station Pty Ltd; Chairman Coleraine Hospital Advisory Committee; local CFA Captain.
Gregory Hodgson Director Appointed: 22/06/2010		Self Employed farmer most of my working life and involvement in various community groups over many decades, particularly CFA and Landcare.
John Thomas Kane Director / Company Secretary Appointed: 12/09/2002	Gentleman	25 year career in the Victorian Public Service in various senior management positions with the Departments of Agriculture, Health, Education, Conservation Forests & Lands and Business and Employment. Extensive involvement with sporting and community groups over decades. Self employed farmer since 1996.
Quentin Arthur Baudinette Director Appointed: 12/09/2002		28 years as carpenter and joiner and Director of Coleraine Joinery & Building Supplies Pty Ltd.

Timothy James Johnston Treasurer Appointed: 26/05/2009	B.Ru.Sc. (Hons)	Principal Waradgery Pastoral Co & Manager Kowarna Partnership; Director Gambeth Nominees & Hambledon Investments (family companies). Community involvement including CFA and Pony Club.
Valerie Joyce Lawson Director Appointed: 28/04/2009	Diploma of Management	40 years experience in fashion, footwear, jewellery & carpet businesses. Many years associated with various community groups.
Simon Roderick Ferrier Director Appointed: 26/02/2013	Advanced Diploma in Applied Science (Farm Management)	Training co-ordinator at RIST, Lecturer/Project Officer at Murrumbidgee College of Agriculture, Consultant World Food Program (Cambodia & Thailand), Teacher in PNG, Mechanic with Dept. Crown Lands & Survey.
Rebecca Wishart Director Appointed: 23/06/2015	Bachelor of Commerce (Accounting) CPA completed 2009 UNSW SMSF	Been working in the acounting industry since graduating in 2004. From 2007 to now have solely worked in the self managed superfund sector. Been a director of Grampians Accounting Services since 2009 - which is my current employer. Was also treasurer of the Coleraine Football Netball Club for 7 years.
Catherine Susan Egan Director Appointed: 27/05/2014 Resigned: 27/01/2015	Bachelor of Arts / Bachelor of Teaching	Four years teaching at Dimboola – Pimpinio PS. Currently teaching at St Joseph's, Coleraine (7 years) School Advisory Council, Parent Association, Curriculum Co-ordinator; active member of various community and sporting groups.
Mark Templeton Director Appointed: 27/05/2014	B. Business (Property) Agents Rep. Real Estate	Director, H M Templeton Pastoral Co; prior to my farming career I was employed as a property valuer with a local company; active member of various community and sporting groups over many years.

Directors were in office for this entire year unless otherwise stated.

No directors have material interests in contracts or proposed contracts with the company.

Principal activities

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

There have been no significant changes in the nature of these activities during the year.

Review of operations

The profit/loss of the company for the financial year after provision for income tax was $20,257 (2014 profit: $32,315).

The net assets of the company have increased to $400,879 (2014: $380,622). The increase is largely due to additional funds invested.

Dividends

Dividends paid or declared since the start of the financial year.

	Year ended 30 June 2015 Cents Per Share	$
Dividends paid in the year (interim /or final) dividend:	0	0

Options

No options over issued shares were granted during or since the end of the financial year and there were no options outstanding as at the date of this report.

Significant changes in the state of affairs

No significant changes in the company's state of affairs occurred during the financial year.

Events subsequent to the end of the reporting period

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

Remuneration report

Remuneration policy

There has been a remuneration policy developed as executive directors receive a nominal amount for their All other positions are held on a voluntary basis and those directors do not receive remuneration.

Director remuneration	2015 $	2014 $
Alexandra Louise Kelso	-	750
Coralie Louise Coulson	2,000	2,000
John Thomas Kane	1,500	1,500
Tim Johnston	2,000	2,000
Elizabeth Britten	500	500
	6,000	6,750

Remuneration benefits and payments

Other than detailed, no Director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company, controlled entity or related body corporate with a Director, a firm which a Director is a member or an entity in which a Director has a substantial financial interest. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by Directors shown in the company's accounts, or the fixed salary of a full-time employee of the company, controlled entity or related body corporate.

The Coleraine and District Financial Services Limited has accepted the Bendigo and Adelaide Bank Limited's **Community Bank®** Directors Privileges package. The package is available to all Directors who can elect to avail themselves of the benefits based on their personal banking with the branch. There is no requirement to own Bendigo and Adelaide Bank Limited shares and there is no qualification period to qualify to utilise the benefits. The package mirrors the benefits currently available to Bendigo and Adelaide Bank Limited shareholders. The Directors have estimated the total benefits received from the Directors Privilege Package to be $Nil for the year ended 30 June 2015.

Indemnifying officers or Auditor

The company has agreed to indemnify each Officer (Director, Secretary or employee) out of assets of the company to the relevant extent against any liability incurred by that person arising out of the discharge of their duties, except where the liability arises out of conduct involving dishonesty, negligence, breach of duty or the lack of good faith. The company also has Officers Insurance for the benefit of Officers of the company against any liability occurred by the Officer, which includes the Officer's liability for legal costs, in or arising out of the conduct of the business of the company or in or arising out of the discharge of the Officer's duties.

Directors' meetings

The number of Directors' meetings held during the year was 11. Attendances by each Director during the year were as follows:

Director	**Board meetings #**
Coralie Louise Coulson	8 (11)
Elizabeth Mary Britten	10 (11)
Grant James Little	9 (11)
Gregory Hodgson	9 (11)
John Thomas Kane	11 (11)
Quentin Arthur Baudinette	10 (11)
Tim Johnston	10 (11)
Valerie Joyce Lawson	11 (11)
Simon Ferrier	9 (11)
Catherine Egan	5 (5)
Mark Templeton	10 (11)
Rebecca Wishart	1 (1)

Likely developments

The company will continue its policy of providing banking services to the community.

Environmental regulations

The company is not subject to any significant environmental regulation.

Proceedings on behalf of company

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The company was not a party to any such proceedings

Company Secretary

John Kane has been the company secretary of Coleraine & District Financial Services Limited since 24 November 2009.

Auditor independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set in this financial report. No officer of the company is or has been a partner of the Auditor of the company.

Signed in accordance with a resolution of the Board of Directors at Coleraine on 1st September 2015.

Director

Coleraine and District Financial Services Limited
ACN 102 030 017
Statement of profit or loss and Other Comprehensive Income
for the year ended 30 June 2015

	Notes	2015 $	2014 $
Revenue	2	518,618	538,711
Employee benefits expense	3	(264,492)	(263,443)
Depreciation and amortisation expense	3	(17,858)	(17,859)
Finance costs	3	-	(5)
Bad and doubtful debts expense	3	(60)	(24)
Other expenses	3	(151,828)	(170,591)
Operating profit/(loss) before charitable donations & sponsorships		84,380	86,789
Charitable donations and sponsorships		(47,559)	(51,912)
Profit before income tax		36,821	34,877
Tax benefit	4	(16,564)	(2,562)
Profit for the year		20,257	32,315
Other comprehensive income		-	-
Total comprehensive income		20,257	32,315
Profit/(loss) attributable to:			
Members of the company		20,257	32,315
Earnings per share (cents per share)			
- basic earnings per share	22	4.31	6.88

The accompanying notes form part of these financial statements

Coleraine and District Financial Services Limited
ACN 102 030 017
Statement of financial position
As at 30 June 2015

	Notes	2015 $	2014 $
Assets			
Current assets			
Cash and cash equivalents	6	306,162	230,817
Trade and other receivables	7	44,865	48,263
Other assets	8	5,809	7,067
Total current assets		356,836	286,147
Non-current assets			
Property, plant and equipment	9	78,573	82,367
Deferred tax assets	13	8,161	8,112
Intangible assets	10	39,149	53,213
Total non-current assets		125,883	143,692
Total assets		482,719	429,839
Liabilities			
Current liabilities			
Trade and other payables	11	38,303	29,218
Tax provision	13	16,333	-
Provisions	12	18,992	18,658
Total current liabilities		73,628	47,876
Non current liabilities			
Provisions	12	8,212	1,341
Total non current liabilities		8,212	1,341
Total liabilities		81,840	49,217
Net assets		400,879	380,622
Equity			
Issued capital	14	469,472	469,472
Accumulated Losses	15	(68,593)	(88,850)
Total equity		400,879	380,622

The accompanying notes form part of these financial statements

Coleraine and District Financial Services Limited
ACN 102 030 017
Statement of changes in equity
for the year ended 30 June 2015

	Note	Issued capital $	Accumulated Losses $	Total equity $
Balance at 1 July 2013		**469,472**	**(121,165)**	**348,307**
Profit for the year		-	32,315	32,315
Other comprehensive income for the year		-	-	-
Total comprehensive income for the year		-	**32,315**	**32,315**
Transactions with owners, in their capacity as owners				
Shares issued during the year		-	-	-
Dividends paid or provided	23	-	-	-
Balance at 30 June 2014		**469,472**	**(88,850)**	**380,622**
Balance at 1 July 2014		**469,472**	**(88,850)**	**380,622**
Profit for the year		-	20,257	20,257
Other comprehensive income for the year		-	-	-
Total comprehensive income for the year		-	20,257	20,257
Transactions with owners, in their capacity as owners				
Shares issued during the year		-	-	-
Dividends paid or provided	23	-	-	-
Balance at 30 June 2015		**469,472**	**(68,593)**	**400,879**

The accompanying notes form part of these financial statements

Coleraine and District Financial Services Limited
ACN 102 030 017
Statement of cash flows
For the year ended 30 June 2015

	Notes	2015 $	2014 $
Cash flows from operating activities			
Receipts from customers		515,573	530,628
Payments to suppliers and employees		(446,390)	(473,939)
Interest received		6,443	4,824
Income tax paid		(281)	-
Net cash provided by/(used in) operating activities	16	75,345	61,513
Cash flows from investing activities			
Purchase of property, plant & equipment		-	-
Net cash flows from/(used in) investing activities		-	-
Cash flows from financing activities			
Dividends paid		-	-
Net cash provided by/(used in) financing activities		-	-
Net increase/(decrease) in cash held		75,345	61,513
Cash and cash equivalents at beginning of financial year		230,817	169,304
Cash and cash equivalents at end of financial year	6	306,162	230,817

The accompanying notes form part of these financial statements

Coleraine and District Financial Services Limited
ACN 102 030 017
Notes to the Financial Statements
for the year ended 30 June 2015

These financial statements and notes represent those of Coleraine & District Financial Services Limited.

Coleraine & District Financial Services Limited ('the company') is a company limited by shares, incorporated and domiciled in Australia.

The financial statements were authorised for issue by the Directors on 1st September 2015.

1. Summary of significant accounting policies

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The company is a for profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, were applicable, by the measurement at fair value of selected non current assets, financial assets and financial liabilities.

(b) Income tax

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

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities/(assets) are measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority.

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

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

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

(c) Fair value of assets and liabilities

The company may measure some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the company would receive to sell an assets or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

1. Summary of significant accounting policies (continued)

(c) Fair value of assets and liabilities (continued)

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair value of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

(d) Property, plant and equipment

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

Plant and equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount of these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets, is depreciated on a straight-line basis over the asset's useful life to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

1. Summary of significant accounting policies (continued)

(d) Property, plant and equipment (continued)

The depreciation rates used for each class of depreciable asset are:

Class of asset	*Depreciation Rate*
Leasehold improvements	4-5%
Plant & equipment	10-20%

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(e) Leases

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

Finance leases are capitalised by recognising an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses in the periods in which they are incurred.

(f) Impairment of assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less cost to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard. Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

1. Summary of significant accounting policies (continued)

(g) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(h) Employee benefits

Short-term employee benefits
Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The company's obligation for short-term employee benefits such as wages and salaries are recognised as part of current trade and other payables in the statement of financial position. The company's obligation for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Other long-term employee benefits
Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurement for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The company's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

(i) Intangible assets and franchise fees

Establishment costs and franchise fees have been initially recorded at cost and amortised on a straight line basis at a rate of 20% per annum. The current amortisation charges for intangible assets are included under depreciation and amortisation expense in the Statement of Profit or Loss and Other Comprehensive

1. Summary of significant accounting policies (continued)

(j) Cash and cash equivalents

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

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.

(k) Revenue and other income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any discounts and volume rebates allowed. Revenue comprises service commissions and other income received by the company.

Interest, dividend and fee revenue is recognised when earned.

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

(l) Trade and other receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

(m) Trade and other payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(n) New and amended accounting policies adopted by the company

There are no new and amended accounting policies that have been adopted by the company this financial year.

(o) New accounting standards for application in future periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the company.

The company has decided not to early adopt any of the new and amended pronouncements. The company's assessment of the new and amended pronouncements that are relevant to the company but applicable in the future reporting periods is set below:

1. Summary of significant accounting policies (continued)

(o) New accounting standards for application in future periods (continued)

(i) AASB 9 *Financial Instruments* and associated Amending Standards (applicable for annual reporting periods beginning on or after 1 January 2018).

This Standard will be applicable retrospectively and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

The key changes that may affect the company on initial application include certain simplifications to the classification of financial assets.

Although the directors anticipate that the adoption of AASB 9 may have an impact on the company's financial instruments, it is impractical at this stage to provide a reasonable estimate of such impact.

(ii) AASB 15: *Revenue from Contracts with Customers* (applicable for annual reporting periods commencing on or after 1 January 2017).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:
- identify the contract(s) with customers;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

This Standard will require retrospective restatement, as well as enhanced disclosure regarding revenue.

Although the Directors anticipate that the adoption of AASB 15 may have an impact on the Company's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

1. Summary of significant accounting policies (continued)

(p) Loans and borrowings

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

(q) Provisions

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

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

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.

(r) Share capital

Issued and paid up capital is 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.

(s) Comparative figures

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

(t) Critical accounting estimates and judgements

The Directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company. Estimates and judgements are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The estimates and judgements that have a significant risk of causing material adjustments to the carrying values of assets and liabilities are as follows:

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and intangible assets. The depreciation and amortisation charge will increase where useful lives are less than previously estimated lives.

Employee benefits provision

Assumptions are required for wage growth and CPI movements. The likelihood of employees reaching unconditional service is estimated. The timing of when employee benefit obligations are to be settled is also estimated.

1. Summary of significant accounting policies (continued)

(t) Critical accounting estimates and judgements (continued)

Income tax

The company is subject to income tax. Significant judgement is required in determining the deferred tax asset or the provision for income tax liability. Deferred tax assets are recognised only when it is considered sufficient future profits will be generated. The assumptions made regarding future profits is based on the company's assessment of future cash flows.

Impairment

The company assesses impairment at the end of each reporting period by evaluating conditions and events specific to the company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value in use calculations which incorporate various key assumptions.

(u) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to the profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method or cost.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method.*

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discount estimated future cash payments or receipts over the expected life (or where this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in the profit or loss.

(i) Loans and receivables
Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

1. Summary of significant accounting policies (continued)

(u) Financial instruments (continued)

(ii) Financial liabilities
Non derivative financial liabilities are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

A financial asset (or group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of financial assets carried at amortised cost loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency on interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial asset is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

2. Revenue and other income	**2015** **$**	**2014** **$**
Revenue		
- services commissions	120,571	115,074
- other revenue	391,604	418,813
	512,175	533,887
Other revenue		
- interest received	6,443	4,824
	6,443	4,824
Total revenue	518,618	538,711

Coleraine and District Financial Services Limited
ACN 102 030 017
Notes to the financial statements
For the year ended 30 June 2015

	2015	2014
	$	$
3. Expenses		
Employee benefits expense		
- wages and salaries	234,870	240,104
- superannuation costs	21,790	20,423
- employee entitlements	7,205	2,116
- other costs	627	800
	264,492	263,443
Depreciation of non-current assets:		
- plant and equipment	1,128	1,129
- property improvements	2,666	2,666
Amortisation of non-current assets:		
- intangible assets	14,064	14,064
	17,858	17,859
Finance costs:		
- Interest paid	-	5
Bad debts	60	24
Other expenses		
- insurance	10,954	10,826
- printing and stationery	6,043	9,627
- IT equipment lease	4,709	5,049
- IT running costs	9,033	9,033
- IT support costs	5,143	5,045
- electricity and gas	3,884	4,217
- repairs and maintenance	779	6,696
- rates	1,947	1,974
- telephone	4,990	5,018
- marketing	10,731	3,460
- other costs	93,615	109,646
	151,828	170,591

4. Tax Expense

a. The components of tax expense/(income) comprise

- current tax expense/(income)	16,614	-
- deferred tax expense/(income) relating to the origination and reversal of temporary differences	(1,411)	-
- recoupment of prior year tax losses	(7,042)	
- adjustments for under/(over)-provision of current income tax of previous years	-	-
	8,161	-

4. Tax Expense (continued)

	2015 $	2014 $
b. The prima facie tax on profit/(loss) from ordinary activities before income tax is reconciled to the income tax expense as follows:		
Prima facie tax on profit/(loss) before income tax at 30% (2014: 30%)	11,046	10,463
Add tax effect of:		
- Adjustments in respect of current income tax of previous year	-	-
- Utilisation of previously unrecognised carried forward tax losses	-	-
- Non-deductible expenses	5,518	(13,025)
Current income tax expense	16,564	(2,562)
Income tax attributable to the entity	**16,564**	**(2,562)**
The applicable weighted average effective tax rate is	-44.99%	-7.35%

The applicable income tax rate is the Australian Federal tax rate of 30% (2014: 30%) applicable to Australian resident companies.

5. Auditors' remuneration

	2015 $	2014 $
Remuneration of the Auditor for:		
- Audit or review of the financial report	2,730	2,640
	2,730	2,640

6. Cash and cash equivalents

	2015 $	2014 $
Cash at bank and on hand	306,162	230,817

7. Trade and other receivables

	2015 $	2014 $
Current		
Trade receivables	44,865	48,263
Other assets	-	-
	44,865	48,263

Credit risk

The company has no significant concentration of credit risk with respect to any single counterparty or group of counterparties other than those receivables specifically provided for and mentioned within Note 7.

The following table details the company's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as "past due" when the debt has not been settled, within the terms and conditions agreed between the company and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the company.

The balances of receivables that remain within initial trade terms (as detailed in the table below) are considered to be high credit quality.

7. Trade and other receivables (continued)

	Gross amount	Past due and impaired	Past due but not impaired < 30 days	Past due but not impaired 31-60 days	Past due but not impaired > 60 days	Not past due
	$	$	$	$	$	$
2015						
Trade receivables	44,865	-	-	-	-	44,865
Other receivables	-	-	-	-	-	-
Total	44,865	-	-	-	-	44,865
2014						
Trade receivables	48,263	-	-	-	-	48,263
Other receivables	-	-	-	-	-	-
Total	48,263	-	-	-	-	48,263

8. Other Assets

	2015 $	2014 $
Prepayments	4,348	4,348
Other assets	1,461	2,719
	5,809	7,067

9. Property, plant and equipment

	2015	2014
Leasehold improvements		
At cost	130,005	130,005
Less accumulated depreciation	(52,034)	(49,368)
	77,971	80,637
Plant and equipment		
At cost	9,172	9,172
Less accumulated depreciation	(8,570)	(7,442)
	602	1,730
Total written down amount	78,573	82,367

Movements in carrying amounts

	2015	2014
Leasehold improvements		
Balance at the beginning of the reporting period	80,637	83,303
Additions	-	-
Disposals	-	-
Depreciation expense	(2,666)	(2,666)
Balance at the end of the reporting period	77,971	80,637
Plant and equipment		
Balance at the beginning of the reporting period	1,730	2,859
Additions	-	
Disposals	-	-
Depreciation expense	(1,128)	(1,129)
Balance at the end of the reporting period	602	1,730

10. Intangible assets	**2015** **$**	**2014** **$**
Franchise fee		
At cost	139,230	139,230
Less accumulated amortisation	(100,081)	(86,017)
Total Intangible assets	39,149	53,213

Movements in carrying amounts

Franchise fee		
Balance at the beginning of the reporting period	53,213	67,277
Additions	-	
Disposals	-	
Amortisation expense	(14,064)	(14,064)
Balance at the end of the reporting period	39,149	53,213

11. Trade and other payables

Current		
Unsecured liabilities:		
Trade payables	11,005	6,749
Other creditors and accruals	27,298	22,469
	38,303	29,218

The average credit period on trade and other payables is one month.

12. Provisions

Employee benefits	27,204	19,999
Movement in employee benefits		
Opening balance	19,999	17,884
Additional provisions recognised	27,969	20,588
Amounts utilised during the year	(20,764)	(18,473)
Closing balance	27,204	19,999
Current		
Annual Leave - unconditional (expected to be settled within 12 months)	7,054	2,320
Annual Leave - unconditional (not expected to be settled within 12 months)	-	5,964
Long Service Leave - unconditional (expected to be settled within 12 months)	11,938	10,374
	18,992	18,658
Non-current		
Long Service Leave - conditional	8,212	1,341
	8,212	1,341
Total provisions	27,204	19,999

Provision for employee benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience the company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

12. Provisions (continued)

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

13. Tax balances	**2015** **$**	**2014** **$**
(a) Tax Assets		
NON-CURRENT		
Deferred tax asset comprises:		
- Tax losses carried forward	-	2,112
- Movements in provisions	8,161	6,000
	8,161	8,112
(b) Tax Liabilities		
CURRENT		
Income tax payable	16,333	-
	16,333	-

14. Share capital

Ordinary shares fully paid $1 each	469,472	469,472
	469,472	469,472

Movements in share capital

Fully paid ordinary shares:		
At the beginning of the reporting period	469,742	469,742
Shares issued during the year	-	-
At the end of the reporting period	469,742	469,742

Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held. At the shareholders' meetings each shareholder is entitled to one vote when a poll is called, or on a show of hands. The company does not have authorised capital or par value in respect of its issued shares. All issued shares are fully paid. All shares rank equally with regard to the company's residual assets.

Capital management

The Board's policy is to maintain a strong capital base so as to sustain future development of the company. The Board of Directors monitor the return on capital and the level of dividends to shareholders. Capital is represented by total equity as recorded in the Statement of Financial Position.

In accordance with the franchise agreement, in any 12 month period, the funds distributed to shareholders shall not exceed the Distribution Limit.

(i) the Distribution Limit is the greater of:
(a) 20% of the profit or funds of the company otherwise available for distribution to shareholders in that 12 month period; and

14. Share capital (continued)

(b) subject to the availability of distributable profits, the Relevant Rate of Return multiplied by the average level of share capital of the Franchisee over that 12 month period; and

(ii) the Relevant Rate of Return is equal to the weighted average interest rate on 90 day bank bills over that 12 month period plus 5%.

The Board is managing the growth of the business in line with this requirement. There are no other externally imposed capital requirements, although the nature of the company is such that amounts will be paid in the form of charitable donations and sponsorship. Charitable donations and sponsorship paid can be seen in the Statement of Profit or Loss and Comprehensive Income.

There were no changes in the company's approach to capital management during the year.

15. Accumulated losses	**2015** **$**	**2014** **$**
Balance at the beginning of the reporting period	(88,850)	(121,165)
Profit/(loss) after income tax	20,257	32,315
Balance at the end of the reporting period	(68,593)	(88,850)

16. Statement of cash flows

Reconciliation of cash flow from operations with profit after income tax

	2015 $	2014 $
Profit / (loss) after income tax	20,257	32,315
Non cash flows in profit		
- Depreciation	3,794	3,795
- Amortisation	14,064	14,064
Changes in assets and liabilities		
- (Increase) decrease in receivables	3,398	(3,259)
- (Increase) decrease in other assets	1,258	6,447
- (Increase) decrease in prepayments	-	(97)
- (Increase) decrease in deferred tax asset	(49)	2,069
- Increase (decrease) in tax provision	16,333	-
- Increase (decrease) in payables	9,085	3,571
- Increase (decrease) in provisions	7,205	2,115
Net cash flows from/(used in) operating activities	75,345	61,020

17. Related party transactions

The company's main related parties are as follows:

(a) Key management personnel

Any person(s) having authority or responsibility for planning, directing or controlling the activities of the entity, directly or indirectly including any Director (whether executive or otherwise) of that company is considered key management personnel.

(b) Other related parties

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel, individually or collectively with their close family members.

17. Related party transactions (continued)

(c) Transactions with key management personnel and related parties

Other than detailed below, no key management personnel or related party has entered into any contracts with the company. No director fees have been paid as the positions are held on a voluntary basis.

(d) Key management personnel shareholdings

There was no movement in key management personnel shareholdings during the year. Each share held has a paid up value of $1 and is fully paid.

(e) Other key management transactions

There has been no other transactions involving equity instruments other than those described above.

18. Events after the reporting period

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

19. Contingent liabilities and contingent assets

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

20. Operating segments

The company operates in the financial services sector where it provides banking services to its clients. The company operates in one geographic area being Coleraine, Victoria. The company has a franchise agreement in place with Bendigo and Adelaide Bank Limited who account for 100% of the revenue (2014: 100%).

21. Company details

The registered office and principle place of business is:	59 Whyte Street Coleraine VIC 3315

22. Earnings per share

	2015	2014
	$	$

Basic earnings per share amounts are calculated by dividing profit / (loss) after income tax by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing profit / (loss) after income tax by the weighted average number of ordinary shares outstanding during the year (adjusted for the effects of any dilutive options or preference shares). There were no options or preference shares on issue during the year.

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	2015 $	2014 $
Profit/(loss) after income tax expense	20,257	32,315
Weighted average number of ordinary shares for basic and diluted earnings per share	469,742	469,742

23. Dividends paid or provided for on ordinary shares

No dividends were paid or proposed by the company during the period.

24. Financial risk management

The company's financial instruments consist mainly of deposits with banks, short-term investments, account receivables and payables, bank overdraft and loans. The totals for each category of financial instruments measured in accordance with *AASB 139 Financial Instruments: Recognition and Measurement* as detailed in the accounting policies are as follows:

	Note	2015 $	2014 $
Financial assets			
Cash and cash equivalents	6	306,162	230,817
Trade and other receivables	7	44,865	48,263
Total financial assets		351,027	279,080
Financial liabilities			
Trade and other payables	11	38,303	29,218
Total financial liabilities		38,303	29,218

Financial risk management policies

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board has established an Audit Committee which reports regularly to the Board. The Audit Committee is assisted in the area of risk management by an internal audit function.

Specific financial risk exposure and management

The main risks the company is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk and other price risk. There have been no substantial changes in the types of risks the company is exposed to, how the risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

(a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the company.

Credit risk is managed through maintaining procedures ensuring, to the extent possible, that clients and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Credit terms for normal fee income are generally 30 days from the date of invoice. For fees with longer settlements, terms are specified in the individual client contracts. In the case of loans advanced, the terms are specific to each loan.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying amount and classification of those financial assets as presented in the statement of financial position.

The company has no significant concentrations of credit risk with Bendigo and Adelaide Bank Limited. The company's exposure to credit risk is limited to Australia by geographic area.

24. Financial risk management

(a) Credit risk

None of the assets of the company are past due (2014: nil past due) and based on historic default rates, the company believes that no impairment allowance is necessary in respect of assets not past due.

The company limits its exposure to credit risk by only investing in liquid securities with Bendigo and Adelaide Bank Limited and therefore credit risk is considered minimal.

	2015	2014
	$	$
Cash and cash equivalents:		
A rated	306,162	230,817

(b) Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company ensures it will have enough liquidity to meet its liabilities when due under both normal and stressed conditions. Liquidity management is carried out within the guidelines set by the Board.

Typically, the company maintains sufficient cash on hand to meet expected operational expenses, including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The table below reflects an undiscounted contractual maturity analysis for financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward.

Financial liability and financial asset maturity analysis:

30 June 2015	Note	Total $	Within 1 year $	1 to 5 years $	Over 5 years $
Financial liabilities due for payment					
Trade and other payables	11	38,303	38,303	-	-
Total expected outflows		38,303	38,303	-	-
Financial assets - cash flows realisable					
Cash & cash equivalents	6	306,162	306,162	-	-
Trade and other receivables	7	44,865	44,865	-	-
Total anticipated inflows		351,027	351,027	-	-
Net (outflow)inflow on financial instruments		312,724	312,724	-	-

24. Financial risk management (continued)

(b) Liquidity risk (continued)

30 June 2014		**Total** $	**Within 1 year** $	**1 to 5 years** $	**Over 5 years** $
Financial liabilities due for payment					
Trade and other payables	11	29,218	29,218	-	-
Total expected outflows		29,218	29,218	-	-
Financial assets - cash flows realisable					
Cash & cash equivalents	6	230,817	230,817	-	-
Trade and other receivables	7	48,263	48,263	-	-
Total anticipated inflows		279,080	279,080	-	-
Net (outflow)/inflow on financial instruments		249,862	249,862	-	-

(c) Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

Sensitivity analysis

The following table illustrates sensitivities to the company's exposures to changes in interest rates and equity prices. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables.

Year ended 30 June 2015	**Profit** $	**Equity** $
+/- 1% in interest rates (interest income)	3,062	3,062
+/- 1% in interest rates (interest expense)	-	-
	3,062	3,062
Year ended 30 June 2014		
+/- 1% in interest rates (interest income)	2,308	2,308
+/- 1% in interest rates (interest expense)	-	-
	2,308	2,308

There have been no changes in any of the methods or assumptions used to prepare the above sensitivity analysis from the prior year.

The company has no exposure to fluctuations in foreign currency.

24. Financial risk management (continued)

(d) Price risk

The company is not exposed to any material price risk.

Fair values

Fair value estimation

The fair values of financial assets and liabilities are presented in the following table and can be compared to their carrying amounts as presented in the statement of financial position.

Differences between fair values and the carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied to the market since their initial recognition by the company.

		2015		2014	
	Note	Carrying amount $	Fair value $	Carrying amount $	Fair value $
Financial assets					
Cash and cash equivalents (i)	6	306,162	306,162	230,817	230,817
Trade and other receivables (i)	7	48,263	48,263	48,263	48,263
Total financial assets		354,425	354,425	279,080	279,080
Financial liabilities					
Trade and other payables (i)	11	38,303	38,303	29,218	29,218
Total financial liabilities		38,303	38,303	29,218	29,218

(i) Cash and cash equivalents, trade and other receivables, and trade and other payables are short-term instruments in nature whose carrying amounts are equivalent to their fair values.

Coffey Hunt
CHARTERED ACCOUNTANTS

Auditor's Independence Declaration

As lead auditor for the audit of Coleraine & District Financial Services Ltd 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.

This declaration is in respect of Coleraine & District Financial Services Ltd.

Coffey Hunt
COFFEY HUNT
CHARTERED ACCOUNTANTS

N.L. McLEAN
PARTNER

Dated at Warrnambool: 2 September 2015.

199 Koroit Street, P.O. Box 677, Warrnambool Victoria 3280
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INDEPENDENT AUDIT REPORT TO THE MEMBERS OF COLERAINE & DISTRICT FINANCIAL SERVICES LIMITED

Report on the financial report

We have audited the accompanying financial report of Coleraine & District Financial Services Limited, which comprises the balance sheet as at 30 June 2015, and the comprehensive income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, 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 judgement, including the assessment of 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 company'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 company'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 opinions.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

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Auditor's opinion

In our opinion, the financial report of Coleraine & District Financial Services Limited is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view, of the company's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

(b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and

Coffey Hunt
COFFEY HUNT
CHARTERED ACCOUNTANTS

N.L. McLEAN
PARTNER

Dated at Warrnambool 2 September 2015