Galston Financial Services Limited
14th Annual Report and Notice of Annual General Meeting
10th November 2015

Galston & District Community Bank® Branch Bendigo Bank

Franchisee: Galston Financial Services Limited

348 Galston Road, Galston, NSW 2159
Telephone (02) 9653 2227 Facsimilie (02) 9653 2811

Galston Financial Services Limited

ACN 097 581 854

NOTICE OF ANNUAL GENERAL MEETING

The Fourteenth Annual General Meeting of Shareholders will be held at
The Galston Club 21-25 Arcadia Road Galston NSW
On Tuesday 10th November 2015 at 7.30 pm

Agenda

1) **Welcome**

2) **Reports**
   a) The Chairman, Sheena Daley, will present her report on the operations of the Company for the year ended 30th June 2015.
   b) The Manager, Mr Gary Mangan, will present his report for the year ended 30th June 2015.
   c) A representative of Bendigo and Adelaide Bank Limited will address the meeting.

3) **Financial Statements and Reports**
   To receive and consider the financial statements and reports to the shareholders comprising:-
   a) The Financial Statements of the Company for the year ended 30th June 2015.
   b) The directors' declaration and report for the financial year ended 30th June 2015.
   c) The auditor's report for the financial year ended 30th June 2015.

   A copy of the AGM Report and the Audited Financial Statements can be found on our website at www.galstonbendigo.com.au . For those shareholders without internet access, printed copies are available at the Galston Community Bank Branch, 348 Galston Road Galston.

4) **Directors**
   a) To consider, and if thought fit, to pass the following resolutions as ordinary resolutions:
   b) That pursuant to article 62(1) of the Company's Constitution, Sheena Daley retires as a director, and being eligible is re-elected as a director;
   c) That pursuant to article 62(1) of the Company's Constitution, Diana Paton retires as a director, and being eligible is re-elected as a director;
   d) That pursuant to article 62(1) of the Company's Constitution, Ralph Steele retires as a director, and being eligible is re-elected as a director.
   e) That pursuant to article 52(2) Mr Michael Beardsell, who the Board of Directors appointed as a director on 2nd June 2015, retires as a director, and being eligible, is re-elected as a director.

5) **General Business**
   To consider any other business that may lawfully be brought forward by the members of the Company.

By order of the Board

Sheena Daley
Chairman
Dated 6 October 2015

Galston Financial Services Limited

ACN 097 581 854

PROXY FORM

I, ...

(Full Name - BLOCK letters)

of ....

(Address)

being a member of Galston Financial Services Limited

HEREBY APPOINT……………………………………………………………………………….

(Name of Proxy)

OR failing such appointment or the absence of that person, the Chair of the Meeting, as my Proxy to vote for me on my behalf (with discretion as to any business not referred to below) at the Annual General Meeting of members of the Company to be held on 10th November 2015.
(Voting instructions to be indicated by placing a tick in the appropriate box. If no instruction is given the Proxy may vote as that person thinks fit, or abstain.)

Business	FOR	AGAINST	ABSTAIN
1. Receive Financial Statements and Reports	☐	☐	☐
2. Election of Directors			
a. Sheena Daley	☐	☐	☐
b. Diana Paton	☐	☐	☐
c. Ralph Steele	☐	☐	☐
d. Michael Beardsell	☐	☐	☐

Individual Shareholder

Signature of Shareholder .... Date............................

Company Shareholder Sole Director Company Yes ☐ **No** ☐

Signature of Director/Secretary ....Date............................

Signature of Director/Secretary...Date............................

THE RULES FOR VOTING BY PROXY ARE DETAILED ON PAGE 4 OF THIS ANNUAL GENERAL MEETING NOTICE

Galston Financial Services Limited

ACN 097 581 854

RULES FOR VOTING BY PROXY

a) **Who may appoint a proxy?** Each shareholder has the right to appoint a proxy to attend and vote for the shareholder at this meeting.

b) **Shareholders appointing two proxies.** To enable a shareholder to divide their voting rights, a shareholder may appoint two proxies. Where two proxies are appointed:
   i) a separate Proxy Form should be used to appoint each proxy;
   ii) the Proxy Form may specify the proportion, or the number, of votes that the proxy may exercise, and if it does not do so the proxy may exercise half of the votes.

c) **Who may be a proxy?** A shareholder can appoint any other person to be their proxy. A proxy need not be a shareholder of the Company. The proxy appointed can be described in the Proxy Form by an office held, for example, "the Chair of the Meeting".

d) **Signature(s) where shareholder is an individual:** In the case of shareholders who are individuals, the Proxy Form must be signed:
   i) If the shares held by one individual, by that shareholder;
   ii) If the shares held in joint names, by any one of them.

e) **Signature(s) where shareholder is a company.** In the case of shareholders who are companies, the Proxy Form must be signed:
   i) If it has a sole director who is also sole company secretary, by that director (and stating the fact next to, or under, the signature on the Proxy Form);
   ii) In the case of any other company, by either two directors or a director and company secretary.

   The use of the common seal of the company, in addition to those required signatures, is optional.

f) **Authorised persons/attorneys.** If the person signing the Proxy Form is doing so under power of attorney, or is an officer of a company outside of (e) above but authorised to sign the Proxy Form, the power of attorney or other authorisation (or certified copy of it), as well as the Proxy Form, must be received by the Company by the time and at the place in (g) below.

g) **Where to lodge and deadline.** A Proxy Form accompanies this notice. To be effective, Proxy Forms (duly completed and signed) must be received by the Company at is registered office at 348 Galston Road, Galston, NSW, 2159 no later than 12 noon on Tuesday 3rd November 2015 and marked for the Attention of the Company Secretary.

Chairman's Report 2015

Galston Financial Services Limited has now completed its 14th year of operations and has again performed well in a very competitive and challenging market. Profit before tax and after sponsorships and donations was in excess of $500,000, which has again allowed us to make a dividend payment to shareholders of 12 cents per share.

As at 30 June 2015, total assets have grown by 7.7% over the 2014 figure and this again places us in a strong position for the 2015/16 financial year.

In July 2016, Bendigo Bank will be rolling out a new initiative known as 'Project Horizon', which will change the way in which profit is distributed between the Bank and the franchises. While there have been a couple of pilot exercises which indicate that the project's effect for Galston Financial Services Limited will be a positive one, the actual effect will not be known until the initiative is actually in place and operating.

Sponsorships and donations paid during the financial year ending June 2015, totalled $135,092 bringing the total paid by Galston Financial Services Limited back into the local community, to over $1.6 million. As in previous years, this impressive figure along with a consistently strong dividend return, offers confidence to shareholders, the local community and the company itself and assures all that this strong financial position will see the company in good economic stead for the next financial year.

As always, any company's success is built on its staff. Gary Mangan has now been our Branch Manager for just over 12 months and although it seemed an impossible task at the time, he has negotiated the transition into the Manager's role with seamless ease. Although many anticipated a series of hiccups, the Board is extremely pleased to report that any changes effected have been very positive and Gary is to be congratulated and thanked for his ability in stepping into Bernie's shoes so very effectively and efficiently. Backing Gary, just as they did Bernie, are our loyal staff on the front line who have also adjusted seamlessly to Gary's style of management and have embraced change where necessary. Whilst maintaining a high level of customer service, they have taken on new tasks and 'stepped up' whenever needed. As always, their level of care and efficiency reflect the fact that we are all members of the same community. The Board sincerely thanks all the girls and appreciates and acknowledges their high work ethic and loyalty throughout the year.

The Board would also like to thank the local community for their continued and increasing support and acknowledge that it is this support and confidence shown by the community which allows Galston Financial Services Limited to reciprocate and support the community in return.

Finally, I would like thank my fellow Board members who continually and tirelessly give of their time and expertise in order to maximise the benefits to both shareholders and the community alike.

Sheena Daley
Chairman
Galston Financial Services Limited

Manager's Report

We are now in our 14th financial year and my first full year as the Manager Galston **Community Bank®** Branch. The first 12 months have continued to be challenging and exciting and I would like to thank the Board, staff and the clients for the support I have received.

The business has recorded a good solid result for 2014/15.

This means that returns to shareholders and to our community can continue to be very positive.

By the end of the 2015 financial year our **Community Bank**® branch achieved the following milestones:

- Number of accounts 5,361 an increase of 207 new accounts or 4.02% increase
- Total deposits over $136.1 million an increase of $27.5 million or 25% increase
- Total loans over $48.5 million an increase of $3.1 million or 6.83% increase
- Total business $184.6 million an increase of $30.6 million or 19.87% increase

- Net profit before tax and sponsorships and donations was over $506,358
- Dividends returned to shareholders were 12 cents for every share fully franked.
- Sponsorships, donations and community grants paid totalled over $135,092

Overall growth was very good and we grew our share of wallet growth by 19.87%. However the impact of impact of "Restoring the Balance" and the global market and reduction in margins we saw gross income reduce by $42,000 which is reflected in our profit result.

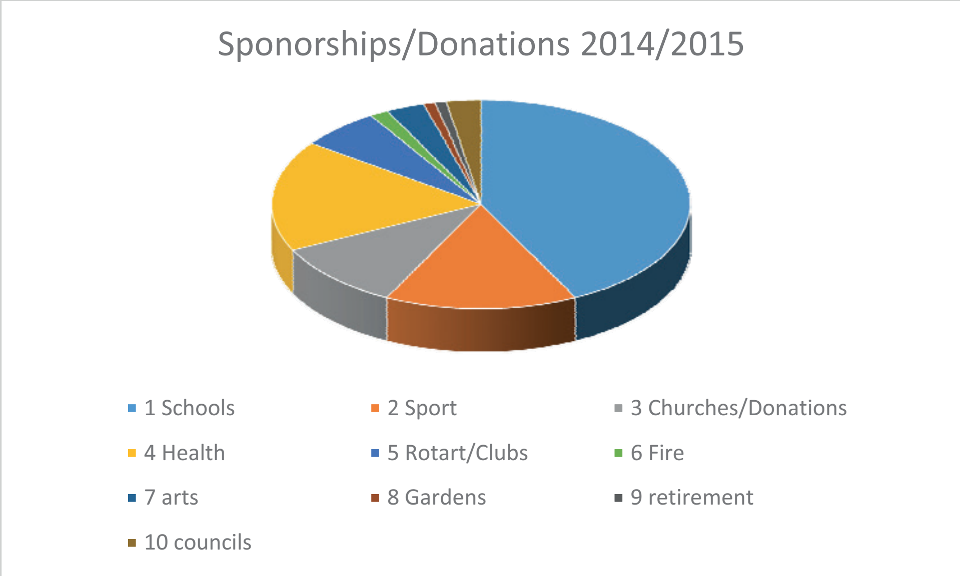
Overall I believe the Board, shareholders, customers and staff can gain comfort from the results considering the economic times and the "Restoring the Balance" initiative instigated by Bendigo Adelaide Bank and low interest rate environment which has had an affected our margin income.

The aim for the coming year is as follows and a continuation of what I planned last year which is proving successful.

1. Commercial/business growth- to increase our share of wallet
2. Customer awareness- improve customer awareness of financial products we have Available to meet clients financial needs.

The first three months of the current year have been stable with some good solid business in the pipeline going forward.

Community sponsorships/donations for the full year showed a good mix across groups as can be seen in graph attached.



We continue to maintain a viable banking service whilst at the same time providing good returns for local shareholders and making a great contribution back to the community.

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Gary Mangan
Branch Manager

Galston Financial Services Limited

Financial Statements

as at

30 June 2015

Galston Financial Services Limited
ABN 23 097 581 854
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 Galston 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
Ralph Henry Steele Appointed 23 July 2001 **Director**	Sound Engineer	Director of Location Sound and Berrilee Boarding Kennels Member of original steering committee and original Chairman of Galston Financial Services Limited
Diana Mary Paton Appointed 23 July 2001 **Director / Secretary**	Printer	Director of Adelphi Design and Print Member of original steering committee of Galston Financial Services Limited
Kevin Cook Appointed 4 December 2009 **Director / Treasurer**	BA M App Fin	Retired Accountant Director of Blackboro Associates Pty Ltd
Diana Valerie Moes Appointed 23 July 2001 Resigned 1 February 2015 **Director**	MBBS. SRN	Medical Practitioner
Sheena Daley Appointed 2 April 2008 **Director / Chairman**		Licensed Real Estate Agent Principal and licensee of DPW Realty in Galston from 1994 to retirement in 2011
Dennis Arthur Phillips Appointed 23 July 2001 **Director**		Farmer Director of DA & PK Phillips Stock Feed Merchant Member of original steering committee of Galston Financial Services Limited
Gavin Koorey Appointed 4 April 2008 **Director**		Self Storage Manager Director of Hills Self Storage Former Chairman of Galston Financial Services Limited (2009-2012)
Peter Hugh Rueffi Appointed 4 December 2013 **Director**		Automotive Industry Consultant Principal of Automotive Strategic Consultants Former resident of Dural and Galston for 23 years
Michael Glen Beardsell Appointed 8 May 2015 **Director**	BSc PhD	Graduate Member of the Australian Institue of Company Directors Manager Consultant

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

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

Galston Financial Services Limited
ABN 23 097 581 854
Directors' Report

Principal activities

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

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

Review of operations

The profit of the company for the financial year after provision for income tax was $266,803 (2014 profit: $150,037), which is a 56.24% increase as compared with the previous year.

The net assets of the company have increased to $2,316,427 (2014: $2,147,640). The increase is largely due to the increase in cash and cash equivalents.

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 final dividend:	12	98,016

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 no remuneration policy developed as director positions are held on a voluntary basis and directors are not remunerated for their services.

Remuneration report (continued)

Remuneration benefits and payments

Other than detailed below, 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.

Parties related to Diana Paton provided printing and advertising services to the sum of $3,994 (2014: $5,340). Parties related to Gavin Koorey provided administrative services to the sum of $2,433 (2014: $2,112).

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.

Disclosure of the nature of the liability and the amount of the premium is prohibited by the confidentiality clause of the contract of insurance. The company has not provided any insurance for an auditor of the company.

Directors meetings

The number of directors meetings held during the year was 12. Attendances by each director during the year were as follows:

Director	Board Meetings #	Audit Committee Meetings #
Ralph Henry Steele	11 (12)	N/A
Diana Mary Paton	8 (12)	N/A
Kevin Cook	11 (12)	2 (2)
Diana Valerie Moes	6 (7)	N/A
Sheena Daley	9 (12)	2 (2)
Dennis Arthur Phillips	11 (12)	N/A
Gavin Koorey	10 (12)	1 (2)
Peter Hugh Rueffi	11 (12)	N/A
Michael Glen Beardsell	1 (1)	N/A

 # The first number is the meetings attended while in brackets is the number of meetings eligible to attend.
N/A - not a member of that Committee.

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 during the year.

Company secretary

Diana Mary Paton has been the Company Secretary of Galston Financial Services Limited since 2007. Diana has 18 years experience in the financial markets and for the last 11 years has jointly with her husband operated a printing business in Glenorie.

Auditor independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set at page 5 of 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 Galston, New South Wales on 14 September 2015.

Sheena Daley
Director

Richmond Sinnott & Delahunty
Chartered Accountants
Level 2, 10-16 Forest Street
Bendigo, VICTORIA
PO Box 30, Bendigo VICTORIA 3552

Ph: (03) 5445 4200
Fax: (03) 5444 4344
rsd@rsdadvisors.com.au
www.rsdadvisors.com.au

Auditor's Independence Declaration under section 307C of the Corporations Act 2001 to the Directors of Galston Financial Services Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2015 there has been no contraventions of:

(i) the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RICHMOND SINNOTT & DELAHUNTY
Chartered Accountants

Kathie Teasdale
Partner
Bendigo
Dated at Bendigo, 21 September 2015

Galston Financial Services Limited
ABN 23 097 581 854
Statement of Profit or Loss and Other Comprehensive Income
for the year ended 30 June 2015

	Notes	2015 $	2014 $
Revenue	2	1,161,025	1,203,464
Employee benefits expense	3	(410,440)	(435,018)
Depreciation and amortisation expense	3	(33,576)	(34,722)
Finance costs	3	(23)	(4)
Bad and doubtful debts expense	3	(375)	(994)
Other expenses	3	(210,253)	(214,628)
Operating profit before charitable donations & sponsorships		506,358	518,098
Charitable donations and sponsorships		(135,092)	(295,001)
Profit before income tax		371,266	223,097
Tax expense	4	104,463	73,060
Profit for the year		266,803	150,037
Other comprehensive income		-	-
Total comprehensive income for the year		266,803	150,037
Total comprehensive income attributable to:			
Members of the company		-	-
Total		266,803	150,037
Earnings per share (cents per share)			
- basic earnings per share	21	32.66	18.37

The accompanying notes form part of these financial statements

Galston Financial Services Limited
ABN 23 097 581 854
Statement of Financial Position
As at 30 June 2015

	Notes	2015 $	2014 $
Assets			
Current Assets			
Cash and cash equivalents	6	1,600,366	1,409,856
Trade and other receivables	7	133,513	110,693
Income tax receivable	12	-	2,574
Total Current Assets		1,733,879	1,523,123
Non-Current Assets			
Property, plant and equipment	8	745,602	765,932
Intangible assets	9	19,256	31,322
Total Non-Current Assets		764,858	797,254
Total Assets		2,498,737	2,320,377
Liabilities			
Current Liabilities			
Trade and other payables	10	57,973	71,117
Provisions	11	70,241	92,337
Current tax liability	12	44,813	-
Total Current Liabilities		173,027	163,454
Non Current Liabilities			
Non current tax liability	12	9,283	9,283
Total Non Current Liabilities		9,283	9,283
Total Liabilities		182,310	172,737
Net Assets		2,316,427	2,147,640
Equity			
Issued capital	13	816,800	816,800
Reserves	23	21,659	21,659
Retained earnings	14	1,477,968	1,309,181
Total Equity		2,316,427	2,147,640

The accompanying notes form part of these financial statements

Galston Financial Services Limited
ABN 23 097 581 854
Statement of Changes in Equity
for the year ended 30 June 2015

		Issued Capital $	Reserves $	Retained Earnings $	Total Equity $
Balance at 1 July 2013		**816,800**	**21,659**	**1,265,328**	**2,103,787**
Profit for the year		-	-	150,037	150,037
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		**-**	**-**	**150,037**	**150,037**
Transactions with owners, in their capacity as owners					
Shares issued during the year		-	-	-	-
Dividends paid or provided	22	-	-	(106,184)	(106,184)
Balance at 30 June 2014		**816,800**	**21,659**	**1,309,181**	**2,147,640**
Balance at 1 July 2014		**816,800**	**21,659**	**1,309,181**	**2,147,640**
Profit for the year		-	-	266,803	266,803
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		**-**	**-**	**266,803**	**266,803**
Transactions with owners, in their capacity as owners					
Shares issued during the year		-	-	-	-
Dividends paid or provided	22	-	-	(98,016)	(98,016)
Balance at 30 June 2015		**816,800**	**21,659**	**1,477,968**	**2,316,427**

The accompanying notes form part of these financial statements

Galston Financial Services Limited
ABN 23 097 581 854
Statement of Cash Flows
For the year ended 30 June 2015

	Notes	2015 $	2014 $
Cash Flows From Operating Activities			
Receipts from customers		1,242,746	1,275,018
Payments to suppliers and employees		(904,320)	(1,044,903)
Interest received		40,779	53,041
Income tax paid		(57,076)	(68,109)
Other income		(32,413)	-
Net cash provided by operating activities	15	289,716	215,047
Cash Flows From Investing Activities			
Proceeds from sale of property, plant & equipment		-	-
Proceeds from sale of investments		-	-
Purchase of property, plant & equipment		(1,190)	(1,650)
Net cash flows used in investing activities		(1,190)	(1,650)
Cash Flows From Financing Activities			
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
Dividends paid		(98,016)	(106,184)
Net cash used in financing activities		(98,016)	(106,184)
Net increase in cash held		190,510	107,213
Cash and cash equivalents at beginning of financial year		1,409,856	1,302,643
Cash and cash equivalents at end of financial year	6	1,600,366	1,409,856

The accompanying notes form part of these financial statements

These financial statements and notes represent those of Galston Financial Services Limited.

Galston 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 14 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.

Economic Dependency

The company has entered into a franchise agreement with Bendigo and Adelaide Bank Limited that governs the management of the Community Bank®branches.

The branches operate as a franchise of Bendigo and Adelaide Bank Limited, using the name "Bendigo Bank" and the logo and system of operations of Bendigo and Adelaide Bank Limited. The company manages the **Community Bank®** branches on behalf of Bendigo and Adelaide Bank Limited, however all transactions with customers conducted through the **Community Bank®** branches are effectively conducted between the customers and Bendigo and Adelaide Bank Limited.

All deposits are made with Bendigo and Adelaide Bank Limited, and all personal and investment products are products of Bendigo and Adelaide Bank Limited, with the company facilitating the provision of those products. All loans, leases or hire purchase transactions, issues of new credit or debit cards, temporary or bridging finance and any other transaction that involves creating a new debt, or increasing or changing the terms of an existing debt owed to Bendigo and Adelaide Bank Limited, must be approved by Bendigo and Adelaide Bank Limited. All credit transactions are made with Bendigo and Adelaide Bank Limited, and all credit products are products of Bendigo and Adelaide Bank Limited.

1. Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

Economic Dependency (continued)
Bendigo and Adelaide Bank Limited provides significant assistance in establishing and maintaining the **Community Bank®** branch franchise operations. It also continues to provide ongoing management and operational support, and other assistance and guidance in relation to all aspects of the franchise operation, including advice in relation to:

- Advice and assistance in relation to the design, layout and fit out of the Community Bank® branch;
- Training for the branch managers and other employees in banking, management systems and interface protocol;
- Methods and procedures for the sale of products and provision of services;
- Security and cash logistic controls;
- Calculation of company revenue and payment of many operating and administrative expenses;
- The formulation and implementation of advertising and promotional programs; and
- Sale techniques and proper customer relations.

(b) Income tax

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

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities are measured at the amounts expected to be paid to 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 measures 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 (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

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.

1. Summary of significant accounting policies (continued)

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

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie 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 (ie 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.

Property

Freehold land and buildings are measured at 2012 revaluation and therefore are carried at 2012 revaluation less accumulated depreciation and any accumulated impairment. In the event the carrying amount of land and buildings 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.

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 including buildings and capitalised leased assets, but excluding freehold land, 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*
Buildings	2.5%
Computers	40%
Plant & equipment	3.75 - 50%

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) 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.

(f) 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.

(g) 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.

1. Summary of significant accounting policies (continued)

(g) Employee benefits (continued)

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.

(h) Intangible assets and franchise fees

Establishment costs 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 Income.

(i) 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 position.

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.

(j) 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).

1. Summary of significant accounting policies (continued)

(k) 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.

(l) 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.

(m) 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.

(n) 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:

(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.

1. Summary of significant accounting policies (continued)

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

(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.

(o) Loans and borrowings

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

(p) 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.

(q) 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.

1. Summary of significant accounting policies (continued)

(r) Comparative figures

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

(s) 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.

Income tax

The company is subject to income tax. Significant judgement is required in determining the deferred tax asset. 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.

(t) 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 (ie 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.

1. Summary of significant accounting policies (continued)

(t) Financial instruments

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.

(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.

1. Summary of significant accounting policies (continued)

(t) Financial instruments (continued)

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	1,120,694	1,158,815
	1,120,694	1,158,815
Other revenue		
- interest received	40,331	44,649
	40,331	44,649
Total Revenue	1,161,025	1,203,464

3. Expenses

Employee benefits expense		
- wages and salaries	375,873	398,575
- superannuation costs	34,567	36,443
	410,440	435,018
Depreciation of non-current assets:		
- plant and equipment	7,132	7,991
- buildings	14,378	14,378
Amortisation of non-current assets:		
- intangible assets	12,066	12,353
	33,576	34,722
Finance costs:		
- Interest paid	23	4
Bad debts	375	994

3. Expenses (continued)	2015 $	2014 $
Other expenses		
- other	210,253	214,628

4. Tax Expense

	2015	2014
a. The components of tax expense/(income) comprise		
- current tax expense/(income)	104,463	73,060
- deferred tax expense/(income) relating to the origination and reversal of temporary differences	-	-
- recoupment of prior year tax losses	-	-
- adjustments for under/(over)-provision of current income tax of previous years	-	-
	104,463	73,060
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%)	111,380	66,930
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	(6,917)	6,130
Current income tax expense	104,463	73,060
Income tax attributable to the entity	**104,463**	**73,060**
The applicable weighted average effective tax rate is	28.13%	32.75%

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

	2015	2014
5. Auditors' remuneration	$	$
Remuneration of the auditor for:		
- Audit or review of the financial report	4,430	4,300

6. Cash and cash equivalents

Cash at bank and on hand	1,600,366	1,409,856

7. Trade and other receivables

Current		
Trade receivables	99,630	108,775
Other assets	33,883	1,918
	133,513	110,693

Credit risk

The main source of credit risk relates to a concentration of trade receivables owing by Bendigo and Adelaide Bank Limited, which is the source of the majority of the company's income.

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.

			Past Due but Not Impaired			
	Gross Amount	Past Due and impaired	< 30 days	31-60 days	> 60 days	Not Past Due
2015	$	$	$	$	$	$
Trade receivables	99,630	-	-	-	-	99,630
Other receivables	33,883	-	-	-	-	33,883
Total	133,513	-	-	-	-	133,513
2014						
Trade receivables	108,775	-	-	-	-	108,775
Other receivables	1,918	-	-	-	-	1,918
Total	110,693	-	-	-	-	110,693

8. Property, plant and equipment	2015 $	2014 $
Land		
Freehold land at independent valuation - 2012	293,112	293,112
	293,112	293,112
Buildings		
At cost	-	-
At independent valuation - 2012	575,147	575,147
Less accumulated depreciation	(174,931)	(160,553)
	400,216	414,594
Plant and equipment		
At cost	205,291	204,996
Less accumulated depreciation	(153,017)	(146,770)
	52,274	58,226
Total written down amount	745,602	765,932

Movements in carrying amounts

	2015 $	2014 $
Land		
Balance at the beginning of the reporting period	293,112	293,112
Balance at the end of the reporting period	293,112	293,112
Buildings		
Balance at the beginning of the reporting period	414,594	428,972
Additions	-	-
Disposals	-	-
Depreciation expense	(14,378)	(14,378)
Balance at the end of the reporting period	400,216	414,594
Plant and equipment		
Balance at the beginning of the reporting period	58,226	64,567
Additions	1,190	1,650
Disposals	(10)	-
Depreciation expense	(7,132)	(7,991)
Balance at the end of the reporting period	52,274	58,226

9. Intangible assets

	2015 $	2014 $
Capitalised legal costs		
At cost	3,997	3,997
Less accumulated amortisation	(3,997)	(3,485)
	-	512
Capitalised franchise fees		
At cost	57,768	57,768
Less accumulated amortisation	(38,512)	(26,958)
	19,256	30,810
Total Intangible assets	19,256	31,322

	2015 $	2014 $
9. Intangible assets (continued)		
Movements in carrying amounts		
Capitalised legal costs		
Balance at the beginning of the reporting period	512	1,312
Additions	-	-
Disposals	-	-
Amortisation expense	(512)	(800)
Balance at the end of the reporting period	-	512
Capitalised franchise fees		
Balance at the beginning of the reporting period	30,810	42,363
Additions	-	-
Disposals	-	-
Amortisation expense	(11,554)	(11,553)
Balance at the end of the reporting period	19,256	30,810

10. Trade and other payables

	2015 $	2014 $
Current		
Unsecured liabilities:		
Trade payables	25,120	23,491
Sundry creditors	350	5,598
ATO payable	29,203	38,828
Other creditors and accruals	3,300	3,200
	57,973	71,117

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

11. Provisions

	2015 $	2014 $
Employee benefits	70,241	92,337
Movement in employee benefits		
Opening balance	92,337	86,521
Additional provisions recognised	(19,408)	34,568
Amounts utilised during the year	(2,688)	(28,752)
Closing balance	70,241	92,337
Current		
Annual leave	33,413	52,821
Long-service leave	36,828	39,516
Total provisions	70,241	92,337

11. Provisions (continued)

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

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.

12. Tax balances	2015 $	2014 $
(a) Tax Assets		
CURRENT		
Income tax receivable	-	2,574
	-	2,574
(b) Tax Liabilities		
CURRENT		
Income Tax Payable	44,813	-
	44,813	-
NON-CURRENT		
Deferred tax liability comprises:		
- revaluation	9,283	9,283
	9,283	9,283

13. Share capital

816,800 Ordinary Shares fully paid	816,800	816,800
	816,800	816,800

Movements in share capital

Fully paid ordinary shares:		
At the end of the reporting period	816,800	816,800

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.

13. Share capital (continued)

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
  (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.

14. Retained earnings	2015 $	2014 $
Balance at the beginning of the reporting period	1,309,181	1,265,328
Profit after income tax	266,803	150,037
Dividends paid or proposed	(98,016)	(106,184)
Balance at the end of the reporting period	1,477,968	1,309,181

15. Statement of cash flows	**2015** $	**2014** $
Reconciliation of cash flow from operations with profit after income tax		
Profit after income tax	266,803	150,037
Non cash flows in profit		
- Depreciation	21,510	22,369
- Amortisation	12,066	12,353
- Net profit/loss on sale of plant & equipment	10	-
Changes in assets and liabilities		
- (Increase) decrease in receivables	(22,820)	8,686
- Increase (decrease) in income tax payable	47,387	4,950
- Increase (decrease) in payables	(13,145)	10,836
- Increase (decrease) in provisions	(22,095)	5,816
Net cash flows from/(used in) operating activities	289,716	215,047

16. 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.

(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.

Parties related to Diana Paton provided printing and advertising services to the sum of $3,994 (2014: 5,340). Parties related to Gavin Koorey provided administrative services to the sum of $2,433 (2014: $2,112).

(d) Key management personnel shareholdings
The number of ordinary shares in Galston Financial Services Limited held by each key management personnel of the company during the financial year is as follows:

	2015	**2014**
Ralph Henry Steele	10,000	10,000
Diana Mary Paton	500	500
Kevin Cook	-	-
Diana Valerie Moes	2,000	2,000
Sheena Daley	5,000	5,000
Dennis Arthur Phillips	4,900	4,900
Gavin Koorey	-	-
Peter Hugh Rueffi	-	-
Michael Glen Beardsell	-	-

16. Related party transactions (continued)

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.

17. Events after the reporting period

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

18. Contingent liabilities and contingent assets

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

19. 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 Galston, NSW. The company has a franchise agreement in place with Bendigo & Adelaide Bank Limited who account for 100% of the revenue (2014: 100%).

20. Company details

The registered office & principle place of business is: 348 Galston Road
Galston NSW 2159

21. Earnings per share

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 after income tax expense	266,803	150,037
Weighted average number of ordinary shares for basic and diluted earnings per share	816,800	816,800

22. Dividends paid or provided for on ordinary shares

(a) Dividends paid during the year

Fully franked ordinary dividend of 12 cents per share (2014: 13 cents)	98,016	106,184

23. Reserves

Asset Revaluation Reserve		
Balance at the beginning of the financial year	21,659	21,659
Revaluation - Land	-	-
Balance at the end of the financial year	21,659	21,659

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 & cash equivalents	6	1,600,366	1,409,856
Trade and other receivables	7	133,513	110,693
Total Financial Assets		1,733,879	1,520,549
Financial Liabilities			
Trade and other payables	10	57,973	71,117
Total Financial Liabilities		57,973	71,117

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 (continued)

(a) Credit Risk (continued)

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	1,600,366	1,409,856

(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.

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	10	57,973	57,973	-	-
Total expected outflows		57,973	57,973	-	-
Financial Assets - cash flows realisable					
Cash & cash equivalents	6	1,600,366	1,600,366	-	-
Trade and other receivables	7	133,513	133,513	-	-
Total anticipated inflows		1,733,879	1,733,879	-	-
Net (Outflow)/Inflow on financial instruments		1,675,906	1,675,906	-	-

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	10	71,117	71,117	-	-
Total expected outflows		71,117	71,117	-	-
Financial Assets - cash flows realisable					
Cash & cash equivalents	6	1,409,856	1,409,856	-	-
Trade and other receivables	7	110,693	110,693	-	-
Total anticipated inflows		1,520,549	1,520,549	-	-
Net (Outflow)/Inflow on financial instruments		1,449,432	1,449,432	-	-

(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.

The financial instruments that primarily expose the company to interest rate risk are cash and cash equivalents.

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.

	Profit $	Equity $
Year ended 30 June 2015		
+/- 1% in interest rates (interest income)	16,004	16,004
	16,004	16,004
Year ended 30 June 2014		
+/- 1% in interest rates (interest income)	14,099	14,099
	14,099	14,099

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.

	Note	2015		2014	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
		$	$	$	$
Financial Assets					
Cash and cash equivalents (i)		1,600,366	1,600,366	1,409,856	1,409,856
Trade and other receivables (i)		133,513	133,513	110,693	110,693
Total financial assets		1,733,879	1,733,879	1,520,549	1,520,549
Financial Liabilities					
Trade and other payables (i)		57,972	57,972	71,117	71,117
Total financial liabilities		57,972	57,972	71,117	71,117

(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.

Galston Financial Services Limited
ABN 23 097 581 854
Directors' Declaration

In accordance with a resolution of the Directors of Galston Financial Services Limited, the Directors of the company declare that:

1. The financial statements and notes, as set out on pages 6 to 31 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.

Sheena Daley
Director

Signed at Galston on 14 September 2015.

Richmond Sinnott & Delahunty
Chartered Accountants
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GALSTON FINANCIAL SERVICES LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Galston Financial Services Limited, which comprises the statement of financial position as at 30 June 2015, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the company at the year's end.

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 control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards (IFRS).

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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation 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 opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Galston Financial Services Limited, would be in the same terms if provided to the directors as at the time of this auditor's report.

Auditor's Opinion

In our opinion:

(a) the financial report of Galston Financial Services Limited is in accordance with the Corporations Act 2001, including:

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

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

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

RICHMOND SINNOTT & DELAHUNTY
Chartered Accountants

KATHIE TEASDALE
Partner

Dated at Bendigo, 29 September 2015