Annual Report 2015

Logan Country Financial Services Ltd

ABN 38 120 853 545

Logan Country **Community Bank**® Branch

Contents

Chairman's report

For year ending 30 June 2015

Logan Country Financial Services Ltd continues to grow despite the challenging business environment and tight margins in the financial services sector.

Our Directors and staff have been working hard to develop our company, expand our income, improve our brand recognition and solidify our reputation as a **Community Bank**® branch that sincerely feeds into the prosperity of our community.

Our team vision to expand our business is assisting us to overcome current challenges whilst exploring opportunities for growth.

We continue to work toward opening the branch in Jimboomba. Kerry and our branch team have rolled out the welcome mat to homeowners and local businesses inviting the community to experience first-hand the Bendigo "local service" difference in Jimboomba.

We continue to work with Bendigo Bank to achieve this goal of a branch in Jimboomba and I appreciate the support of our customers, staff and Directors who are helping to achieve targets for this next stage of growth for our company.

Together we continue to foster worthwhile community partnerships which contribute to the growth, strength and resilience of our community.

This year's 'Hope' sponsorship for the Jimboomba Relay for life is of particular significance given Lesley's battle with cancer. We wish Lesley well as she continues her recovery. The Board, branch and agency team will be out again on October 10 and 11 to show our support for Lesley and the one in two Queenslanders who will develop cancer in their lifetimes.

Speaking of the Cancer Council, it is with sadness that we farewelled our Corporate Manager and Company Secretary Shaelene Hancock. Shaelene left us at the end of July to take up a full-time position at the Cancer Council in Brisbane.

On behalf of the Board, Branch Manager, our staff and agency I thank Shaelene for the tremendous contribution she made to our business. Over the past four years Shaelene has contributed greatly to the professionalism of our organisation and became a trusted and respected member of not only our team, but the entire community. We all wish Shaelene every success in her future endeavours.

I also welcome Margaret Whitfield and Allan Pettigrew who joined our Board in December 2014 and thank Romayne Farrer who resigned as a Director in order to contribute as a member of our staff and Rick Rosenblatt who resigned to focus on his transport business. All the contributions of our volunteer Directors are greatly appreciated and I hope the experience they gain in working with us is of value to them.

Finally, I want to thank you, Logan Country, our customers and shareholders for your support as we strive to grow our business and share the benefits of the **Community Bank**® model across our community.

Paul Casbolt
Chairman

Manager's report

For year ending 30 June 2015

I've said it before and I'll say it again, Logan Country **Community Bank**® Branch is proud to be a locally owned and operated Logan business. Our staff and Directors live locally and we trade in the Logan Country area. We opened a full service **Community Bank**® branch in Logan Village in November 2006 and we are nurturing our agency and banking service centre to bring a full service branch to the people of Jimboomba.

With more than $250,000 and countless community volunteer hours returned to our community already, we can say hand on heart that our sponsorships, grants and in-kind assistance over the past seven years have made a real and tangible difference in the lives of Logan Country people. Just ask the many local service clubs, churches, schools and sporting organisations we've supported.

Entering into the new financial year, it is business as usual. My goal for the coming 12 months is to continue the work we have been doing in Logan Village and surrounding areas and to open our branch in Jimboomba.

I'm often asked when we will convert to a full branch in Jimboomba and the answer is simple, the community needs to support us, so we in turn can support the community. We've come a long way already, but we need you to bring your banking to us. With a significant portion of our profits being distributed back into our community each year, banking with us is in everybody's best interests.

If you'd like to discuss your banking needs or find out more about what we do, please contact me or a member of my team in Logan Village (phone: 5546 3840) or at our Banking Service Centre in Jimboomba (phone: 5548 7220).

Kerry Menck
Branch Manager

Directors' report

For the financial year ended 30 June 2015

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

Directors

The following persons were Directors of Logan Country 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
Paul Casbolt Chairman	Retired	Telecommunications Engineer & Consultant Consultancy Team Manager & Acct. Manager Director CasComm P/L
Ryszard Rozenblatt Resigned 10 February 2015 Treasurer	Business Proprietor	Director and Secretary, transport company
Margaret Whitfield Appointed 15 December 2014 Appointed Treasurer 10 February 2015	BAS Agent	Proprietor,MySOS
Laurie Koranski Director	Business Proprietor	Deputy Chair, RDA Logan & Redlands Committee Director, Quintessential Dental Past Pres, Logan Country Chamber of Commerce Past Chair, Beenleigh Relay for Life
Gary Hastings Director	Business Proprietor	Director, Slipstream Air Pty Ltd Director, Logan Village Developments
Warren Rosen Director	Solicitor Business Proprietor	Principal, Rosen Lawyers; Director Beaucare Inc Past Vice Pres Redlands Domestic Violence Serv Past Pres Bayside Community Legal Service Past Pres Sunshine Coast District Law Assn
Stacey McIntosh Director	Sales Director	President, Rotary Club of Loganholme Chair, City of Logan Relay for Life Past Deputy,Logan Country Chamber of Commerce
Terence Hurst Director	Retired	Past proprietor, motor broking company
Glenda Elgood Director	Accountant Business Proprietor	CPA accountant, DirectorVinculum Accounting Previously Financial Controller food processing / manufacturing industry

Directors (continued)

Name and position held	Qualifications	Experience and other Directorships
Allan Pettigrew Appointed 15 December 2014 Director	Retired	President, Logan Village Community Centre Inc Secretary, Logan Village Historical Museum Over 40 years experience in water, sewerage and pollution control design and implementation
Maree Slingsby Resigned 3 September 2014 Director	Solicitor	Principal, ACS Legal Services
Romayne Farrer Resigned 15 December 2014 Director	Customer Service Officer	President, Quota International (Jimboomba) Treasurer, Flagstone Community Association Director, Jimboomba Community Care Association

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®** branch 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 loss for the company for the financial year after provision for income tax was $80,496 (2014 profit: $34,902), which is a 330% decrease compared with the previous year and reflects the increased costs of operating the Banking Service Centre in Jimboomba along with difficult trading conditions in growing our business and our income.

The net assets of the company have decreased by $114,933 (2014: $12,988 increase). The decrease is largely due to the trading loss outlined above.

Dividends

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

	Year ended 30 June 2015	
	cents/share	$
Dividends paid in the year (interim /or final) dividend:	5.5	34,437

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.

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 11. Attendances by each Director during the year were as follows:

Director	Board meetings #	Audit Committee meetings #
Paul Casbolt	10 (11)	Nil
Ryszard Rozenblatt	6 (7)	Nil
Margaret Whitfield	6 (6)	Nil
Laurie Koranski	10 (11)	N/A
Gary Hastings	10 (11)	N/A
Warren Rosen	10 (11)	N/A
Stacey McIntosh	10 (11)	N/A
Terence Hurst	7 (11)	N/A
Glenda Elgood	10 (11)	N/A
Allan Pettigrew	6 (6)	N/A
Maree Slingsby	2 (2)	N/A
Romayne Farrer	5 (5)	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.

Directors' report (continued)

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

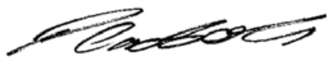
Shalene Hancock was the Company Secretary of Logan Country Financial Services Limited from 7 December 2012 to 17 July 2015.

Margaret Whitfield has been Company Secretary from 17 July 2015 assisted by David Gardner performing the role of Corporate Manager.

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 8 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 Logan Village on 24 September 2015.



Paul Casbolt
Chairman

Auditor's independence declaration

GILLOW & TEESE

Chartered Accountants

TEEGIL PTY LTD. ABN 96 072 119 772

Committed to your Business Success

Directors
Rick A. Gillow B. Com. CA C.dec
Alan R. Teese B. Com. CA
Scott J. Launder B. Bus. CA

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**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF LOGAN COUNTRY FINANCIAL SERVICES LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2015 there have 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.

Gillow & Teese
Chartered Accountants

A R Teese
Partner
Beaudesert, Queensland
Date: 21 September 2015

Chartered Accountants

Liability limited by a scheme approved under Professional Standards Legislation

Financial statements

Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2015

	Note	2015 $	2014 $
Revenue	2	710,531	732,348
Employee benefits expense	3	-	-
Depreciation and amortisation expense	3	(31,586)	(27,264)
Finance costs	3	-	-
Bad and doubtful debts expense	3	(2,499)	(3,089)
Rental expense	3	(66,711)	(21,062)
Other expenses	3	(666,786)	(618,736)
Operating profit/(loss) before charitable donations and sponsorships		**(57,051)**	**62,197**
Charitable donations and sponsorships		(23,445)	(27,295)
Profit/(loss) before income tax		**(80,496)**	**34,902**
Tax expense / (benefit)	4	-	-
Profit/(loss) for the year		**(80,496)**	**34,902**
Other comprehensive income		-	-
Total comprehensive income for the year		**(80,496)**	**34,902**
Total comprehensive income attributable to:			
Members of the company		-	-
Total		**(80,496)**	**34,902**
Earnings per share (cents per share)			
- basic earnings per share	23	(12.86)	5.57

The accompanying notes form part of these financial statements.

Statement of Financial Position as at 30 June 2015

	Note	2015 $	2014 $
Assets			
Current assets			
Cash and cash equivalents	6	213,859	348,555
Trade and other receivables	7	69,546	89,118
Current tax receivable	13	-	-
Total current assets		**283,405**	**437,673**
Non-current assets			
Property, plant and equipment	8	150,938	89,267
Deferred tax assets	13	-	-
Intangible assets	9	19,641	33,506
Total non-current assets		**170,579**	**122,773**
Total assets		**453,984**	**560,446**
Liabilities			
Current liabilities			
Trade and other payables	10	65,905	57,434
Current tax payable	13	-	-
Borrowings	11	-	-
Provisions	12	-	-
Total current liabilities		**65,905**	**57,434**
Non current liabilities			
Borrowings	11	-	-
Provisions	12	-	-
Total non current liabilities		**-**	**-**
Total liabilities		**65,905**	**57,434**
Net assets		**388,079**	**503,012**
Equity			
Issued capital	14	626,108	626,108
Retained earnings / (accumulated losses)	15	(238,029)	(123,096)
Total equity		**388,079**	**503,012**

The accompanying notes form part of these financial statements.

Statement of Changes in Equity
for the year ended 30 June 2015

	Note	Issued capital $	Retained earnings $	Total equity $
Balance at 1 July 2013		**626,108**	**(136,084)**	**490,024**
Profit /(loss) for the year		-	34,902	34,902
Other comprehensive income for the year		-	-	-
Total comprehensive income for the year		**-**	**-**	**-**
Transactions with owners, in their capacity as owners				
Shares issued during the year		-	-	-
Dividends paid or provided	24	-	(21,914)	(21,914)
Balance at 30 June 2014		**626,108**	**(123,096)**	**503,012**
Balance at 1 July 2014		**626,108**	**(123,096)**	**503,012**
Profit /(loss) for the year		-	(80,496)	(80,496)
Other comprehensive income for the year		-	-	-
Total comprehensive income for the year		**-**	**-**	**-**
Transactions with owners, in their capacity as owners				
Shares issued during the year		-	-	-
Dividends paid or provided	24	-	(34,437)	(34,437)
Balance at 30 June 2015		**626,108**	**(238,029)**	**388,079**

The accompanying notes form part of these financial statements.

Statement of Cash Flows
for the year ended 30 June 2015

	Note	2015 $	2014 $
Cash flows from operating activities			
Receipts from customers		781,584	789,099
Payments to suppliers and employees		(807,839)	(752,763)
Dividend revenue received		-	-
Interest paid		-	-
Interest received		5,388	5,875
Income tax paid		-	3,512
Net cash provided by/(used in) operating activities	**16b**	**(20,867)**	**45,723**
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		-	-
Proceeds from sale of investments		-	-
Purchase of property, plant and equipment		(79,392)	(881)
Net cash flows from/(used in) investing activities		**(79,392)**	**(881)**
Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
Dividends paid		(34,437)	(21,914)
Net cash provided by/(used in) financing activities		**(34,437)**	**(21,914)**
Net increase/(decrease) in cash held		**(134,696)**	**22,928**
Cash and cash equivalents at beginning of financial year		348,555	325,627
Cash and cash equivalents at end of financial year	**16a**	**213,859**	**348,555**

The accompanying notes form part of these financial statements.

Notes to the financial statements

For year ended 30 June 2015

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

Logan Country 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 24 September 2015.

Note 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 at Logan Village.

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.

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;

Note 1. Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

Economic dependency (continued)

- 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 / (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 asset 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.

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.

Note 1. Summary of significant accounting policies (continued)

(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 diminishing value 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.

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

Class of asset	Depreciation rate
Leasehold improvements	11.25%
Plant and equipment	15% - 66.67%

The assets' 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.

Notes to the financial statements (continued)

Note 1. Summary of significant accounting policies (continued)

(e) Leases (continued)

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.

(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

<u>Short-term employee benefits</u>

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.

Note 1. Summary of significant accounting policies (continued)

(h) Employee benefits (continued)

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 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.

(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 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.

(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.

Note 1. Summary of significant accounting policies (continued)

(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:

(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.

Notes to the financial statements (continued)

Note 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.

Where the company retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, an additional (third) Statement of Financial Position as at the beginning of the preceeding period in addition to the minimum comparative financial statements is presented.

(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.

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.

Note 1. Summary of significant accounting policies (continued)

(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 (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.

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.

Note 1. Summary of significant accounting policies (continued)

(u) Financial instruments (continued)

Impairment (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.

	2015 $	**2014 $**

Note 2. Revenue and other income

Revenue		
- services commissions	705,143	722,437
	705,143	**722,437**
Other revenue		
- interest received	5,388	9,911
- other revenue	-	-
	5,388	**9,911**
Total revenue	**710,531**	**732,348**

Note 3. Expenses

Employee benefits expense		
- wages and salaries	-	-
- superannuation costs	-	-
- other costs	-	-
	-	**-**

	2015 $	2014 $
Note 3. Expenses (continued)		
Depreciation of non-current assets:		
- plant and equipment	5,970	5,690
- leasehold improvements	11,751	7,710
Amortisation of non-current assets:		
- intangible assets	13,865	13,864
	31,586	**27,264**
Finance costs:		
- Interest paid	-	-
Bad debts	2,499	3,089
Rental expense on operating leases	66,711	21,062
	69,210	**24,151**

Note 4. Tax expense

	2015 $	2014 $
a. The components of tax expense/(income) comprise		
- current tax expense/(income)	-	-
- 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	-	-
	-	**-**
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%)	(24,149)	10,470
Add tax effect of:		
- Adjustments in respect of current income tax of previous year	-	-
- Utilisation of previously unrecognised carried forward tax losses	24,149	(10,470)
- Non-deductible expenses	-	-
Current income tax expense	**-**	**-**
Income tax attributable to the entity	**-**	**-**
The applicable weighted average effective tax rate is	0.00%	0.00%

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

	2015 $	2014 $

Note 5. Auditors' remuneration

Remuneration of the Auditor for:

- Audit or review of the financial report	5,900	5,400
- Taxation and Accounting services	5,700	900
- Share registry services	-	-
	11,600	**6,300**

Note 6. Cash and cash equivalents

Cash at bank and on hand	43,760	92,929
Short-term bank deposits	170,099	255,626
	213,859	**348,555**

The effective interest rate on short-term bank deposits was 2.86% (2014: 3.45%); these deposits have an average maturity of 180 days.

Note 7. Trade and other receivables

Current

Trade receivables	63,519	67,258
Other assets	6,027	21,860
	69,546	**89,118**

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.

Note 7. Trade and other receivables (continued)

Credit risk (continued)

	Gross amount	Past due and impaired	Past due but not impaired			Not past due
			< 30 days	31-60 days	> 60 days	
2015						
Trade receivables	63,519	-	-	-	-	63,519
Other receivables	-	-	-	-	-	-
Total	**63,519**	**-**	**-**	**-**	**-**	**63,519**
2014						
Trade receivables	67,258	-	-	-	-	67,258
Other receivables	-	-	-	-	-	-
Total	**67,258**	**-**	**-**	**-**	**-**	**67,258**

	2015 $	2014 $

Note 8. Property, plant and equipment

	2015 $	2014 $
Leasehold improvements		
At cost	223,914	147,443
Less accumulated depreciation	(98,240)	(86,489)
	125,674	**60,954**
Plant and equipment		
At cost	75,179	72,258
Less accumulated depreciation	(49,915)	(43,945)
	25,264	**28,313**
Total written down amount	**150,938**	**89,267**
Movements in carrying amounts		
Leasehold improvements		
Balance at the beginning of the reporting period	60,954	67,783
Additions	76,471	881
Disposals	-	-
Depreciation expense	(11,751)	(7,710)
Balance at the end of the reporting period	**125,674**	**60,954**

	2015 $	2014 $

Note 8. Property, plant and equipment (continued)

	2015 $	2014 $
Plant and equipment		
Balance at the beginning of the reporting period	28,313	34,003
Additions	2,921	-
Disposals	-	-
Depreciation expense	(5,970)	(5,690)
Balance at the end of the reporting period	**25,264**	**28,313**

Note 9. Intangible assets

	2015 $	2014 $
Franchise fee		
At cost	79,322	79,322
Less accumulated amortisation	(59,681)	(45,816)
	19,641	**33,506**
Software		
At cost	15,409	15,409
Less accumulated amortisation	(15,409)	(15,409)
	-	**-**
Preliminary expenses		
At cost	135,602	135,602
Less accumulated amortisation	(135,602)	(135,602)
	-	**-**
Total intangible assets	**19,641**	**33,506**
Movements in carrying amounts		
Franchise fee		
Balance at the beginning of the reporting period	33,506	47,370
Additions	-	-
Disposals	-	-
Amortisation expense	(13,865)	(13,864)
Balance at the end of the reporting period	**19,641**	**33,506**

	2015 $	2014 $

Note 9. Intangible assets (continued)

Preliminary expenses		
Balance at the beginning of the reporting period	-	-
Additions	-	-
Disposals	-	-
Amortisation expense	-	-
Balance at the end of the reporting period	**-**	**-**

Note 10. Trade and other payables

Current		
Unsecured liabilities:		
Trade creditors	59,979	15,667
GST Payable	(270)	7,505
Other creditors and accruals	6,196	34,262
	65,905	**57,434**

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

Note 11. Borrowings

Current		
Unsecured/secured liabilities		
Bank loan	-	-
Bank overdraft	-	-
	-	**-**
Non-current		
Unsecured/secured liabilities		
Bank loan	-	-
	-	**-**

	2015 $	2014 $

Note 12. Provisions

	2015 $	2014 $
Employee benefits	**-**	**-**
Movement in employee benefits		
Opening balance	-	-
Additional provisions recognised	-	-
Amounts utilised during the year	-	-
Closing balance	**-**	**-**
Current		
Annual leave	-	-
Long-service leave	-	-
	-	**-**
Non-current		
Long-service leave	-	-
	-	**-**
Total provisions	**-**	**-**

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.

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.

Note 13. Tax balances

	2015 $	2014 $
(a) Tax assets		
Current		
Income tax receivable	-	-
	-	**-**

	2015 $	2014 $
Note 13. Tax balances (continued)		
Non-current		
Deferred tax asset comprises:		
- tax losses carried forward	-	-
- Provisions	-	-
	-	**-**
(b) Tax liabilities		
Current		
Income tax payable	-	-
	-	**-**

Note 14. Share capital

	2015 $	2014 $
626,108 Ordinary shares fully paid	626,108	626,108
Less: Equity raising costs	-	-
	626,108	**626,108**
Movements in share capital		
Fully paid ordinary shares:		
At the beginning of the reporting period	626,108	626,108
Shares issued during the year	-	-
At the end of the reporting period	**626,108**	**626,108**

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.

Note 14. Share capital (continued)

Capital management (continued)

(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.

	2015 $	2014 $

Note 15. Retained earnings / (accumulated losses)

Balance at the beginning of the reporting period	(123,096)	(136,084)
Profit/(loss) after income tax	(80,496)	34,902
Dividends paid	(34,437)	(21,914)
Balance at the end of the reporting period	**(238,029)**	**(123,096)**

Note 16. Statement of cash flows

(a) Cash and cash equivalents balances as shown in the Statement of Financial Position can be reconciled to that shown in the Statement of Cash Flows as follows		
As per the Statement of Financial Position	213,859	348,555
As per the Statement of CashFlow	**213,859**	**348,555**
(b) Reconciliation of cash flow from operations with profit after income tax		
Profit / (loss) after income tax	(80,496)	34,902
Non cash flows in profit		
- Depreciation	17,721	13,400
- Amortisation	13,865	13,864

	2015 $	2014 $

Note 16. Statement of cash flows (continued)

Changes in assets and liabilities

- (Increase) decrease in receivables	19,572	(17,474)
- (Increase) decrease in deferred tax asset	-	-
- Increase (decrease) in payables	8,471	1,031
- Increase (decrease) in provisions	-	-
Net cash flows from/(used in) operating activities	**(20,867)**	**45,723**

Note 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.

The totals of remuneration paid to key management personnel of the company during the year are as follows:

	2015 $	2014 $
Short-term employee benefits	-	-
Post-employment benefits	-	-
Other long-term benefits	-	-
Share-based payments	-	-
Total key management personnel compensation	**-**	**-**

Short-term employee benefits

These amounts include fees and benefits paid to the non-executive Chair and non-executive Directors as well as all salary, paid leave benefits, fringe benefits and cash bonuses awarded to Executive Directors and other key management personnel.

Post-employment benefits

These amounts are the current year's estimated cost of providing the company's defined benefits scheme post-retirement, superannuation contributions made during the year and post-employment life insurance benefits.

Other long-term benefits

These amounts represent long service leave benefits accruing during the year, long-term disability benefits and deferred bonus payments.

Share-based payments

These amounts represent the expense related to the participation of key management personnel in equity-settled benefits schemes as measured by the fair value of the options, rights and shares granted on grant date.

Note 17. Related party transactions (continued)

(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.

During the year, the company purchased goods and services under normal terms and conditions, from related parties as follows:

	2015 $	2014 $
Shaelene Hancock		
The company engages Shaelene as corporate Manager to attend meetings, provide executive support and provide marketing development services.	70,159	65,727
Gary Hastings		
The company engages Slipstream Air Pty Ltd for the service and maintenance of all air conditioners in the branch of which Gary is the proprietor. During the year the company paid Slipstream Air Pty Ltd for various services.		
Air Conditioning Services	3,180	1,860
Laurie Koranski		
The Jimboomba bank agency is located at the premises of Koranski Pty Ltd trading as Quintessential Dental of which Laurie is a proprietor. During the year the company paid Quintessential Dental agency commission, signage rental and equipment costs.		
Agency Commission	10,282	8,264
Signage Rental	4,920	4,800
Agency Equipment	-	1,197
Maree Ann Slingsby		
The company engages ACS Legal Solutions to provide a serviced office and photocopying services and legal advice as required of which Maree is the proprietor. During the year the company paid ACS Legal to provide a serviced office along with photocopying and for legal advice.		
Serviced office and photocopying	3,788	5,911
Legal Advice	20	2,537

	2015 $	2014 $

Note 17. Related party transactions (continued)

(c) Transactions with key management personnel and related parties (continued)

Maree Ann Slingsby (continued)

	2015 $	2014 $
The company has engaged DM Gillott Family Trust to complete maintenance at the Branch Office and the fitout of the Jimboomba service centre of which Maree is the wife of the Proprietor. During the year the company paid DM Gillott Family Trust to complete fitout work at Jimboomba.		
Maintenance Work	-	1,550
Fitout Work	51,886	-

(d) Key management personnel shareholdings

The number of ordinary shares in Logan Country Financial Services Limited held by each key management personnel of the company during the financial year is as follows:

		2015	2014
Paul Norman Casbolt		5,401	5,401
Laurie Anne Koranski		5,000	5,000
Gary John Hastings		12,668	12,668
Warren Rosen		-	-
Stacey McIntosh		-	-
Allan Pettigrew	(Appointed 15 December 2014)	4,000	-
Terence Hurst	(Appointed 22 November 2012)	2,000	-
Glenda Elgood	(Appointed 26 June 2014)	500	500
Maree Anne Slingsby	(Resigned 3 September 2014)	5,201	5,201
Ian Maxwell Newman	(Resigned 6 February 2014)	2,501	2,501
Ryszard Rozenblatt	(Resigned 10 February 2015)	3,000	3,000
Romayne Farrer	(Resigned 15 December 2014)	-	-

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.

Note 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.

Note 19. Contingent liabilities and contingent assets

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

Note 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 Logan, Queensland. The company has a franchise agreement in place with Bendigo and Adelaide Bank Limited who account for 100% of the revenue (2014: 100%).

	2015 $	**2014 $**
Note 21. Leases		
Operating lease commitments		
Non-cancellable operating leases contracted for but not capitalised in the Statement of Financial Position.		
Payable - minimum lease payments		
- no later than 12 months	55,852	18,052
- between 12 months and five years	48,613	22,566
- greater than five years	-	-
	104,465	**40,618**

The Logan Village property lease is a non-cancellable lease with a five year term, with rent payable monthly in advance and with CPI increases each year. The Jimboomba property lease is a non-cancellable lease with a two year term, with rent payable monthly in advance and with CPI increases each year.

Note 22. Company details

The registered office is:	Suite 1 131-133 Albert Street, Logan Village Qld 4207
The principal place of business is:	Shop 2 Cnr Albert and Wharf Streets, Logan Village Qld 4207

Note 23. 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.

	2015 $	2014 $

Note 23. Earnings per share (continued)

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	**(80,496)**	**34,902**
Weighted average number of ordinary shares for basic and diluted earnings per share	**626,108**	**626,108**

Note 24. Dividends paid or provided for on ordinary shares

Dividends paid or provided for during the year

	2015 $	2014 $
Interim unfranked ordinary dividend of 5.5 (2014: 3.5) cents per share	34,437	21,914

Note 25. Fair value measurements

The company does not recognise or subsequently recognise any assets or liabilties by fair value in the Statement of Financial Position.

a. Fair value hierarchy

AASB 13: Fair value measurement requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

Fair values 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. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The company selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the company are consistent with one or more of the following valuation approaches:

Note 25. Fair value measurements (continued)

a. Fair value hierarchy (continued)

Valuation techniques (continued)

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the company gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

Note 26. Financial risk management

The company's financial instruments consist mainly of deposits with banks, short term investments, account receivables and account payables. 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	213,859	348,555
Trade and other receivables	7	69,546	89,118
Total financial assets		**283,405**	**437,673**
Financial liabilities			
Trade and other payables	10	65,905	57,434
Total financial liabilities		**65,905**	**57,434**

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.

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.

Note 26. Financial risk management (continued)

(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 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.

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	213,859	348,555

(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.

Note 26. Financial risk management (continued)

(b) Liquidity risk (continued)

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	65,905	65,905	-	-
Bank overdraft	11	-	-	-	-
Loans and borrowings	11	-	-	-	-
Total expected outflows		**65,905**	**65,905**	**-**	**-**
Financial assets - cash flows realisable					
Cash and cash equivalents	6	213,859	213,859	-	-
Trade and other receivables	7	69,546	69,546	-	-
Total anticipated inflows		**283,405**	**283,405**	**-**	**-**
Net (outflow)/inflow on financial instruments		**217,500**	**217,500**	**-**	**-**

30 June 2014	**Note**	**Total $**	**Within 1 year $**	**1 to 5 years $**	**Over 5 years $**
Financial liabilities due for payment					
Trade and other payables	10	57,434	57,434	-	-
Bank overdraft	11	-	-	-	-
Loans and borrowings	11	-	-	-	-
Total expected outflows		**57,434**	**57,434**	**-**	**-**
Financial assets - cash flows realisable					
Cash and cash equivalents	6	348,555	348,555	-	-
Trade and other receivables	7	89,118	89,118	-	-
Total anticipated inflows		**437,673**	**437,673**	**-**	**-**
Net (outflow)/inflow on financial instruments		**380,239**	**380,239**	**-**	**-**

Note 26. Financial risk management (continued)

(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 borrowings, fixed interest securities, and 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)	2,139	2,139
	2,139	**2,139**
Year ended 30 June 2014		
+/- 1% in interest rates (interest income)	3,486	3,486
	3,486	**3,486**

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.

(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. Refer to Note 25 for detailed disclosures regarding the fair value measurement of the company's financial assets and financial liabilities.

Note 26. Financial risk management (continued)

(d) Price risk (continued)

Fair values (continued)

- Fair value estimation (continued)

  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. Most of these instruments, which are carried at amortised cost, are to be held until maturity and therefore the fair value figures calculated bear little relevance to the company.

	Note	2015		2014	
		Carrying amount $	Fair value $	Carrying amount $	Fair value $
Financial assets					
Cash and cash equivalents (i)		213,859	213,859	348,555	348,555
Trade and other receivables (i)		69,546	69,546	89,118	89,118
Investments		-	-	-	-
Total financial assets		**283,405**	**283,405**	**437,673**	**437,673**
Financial liabilities					
Trade and other payables (i)		65,905	65,905	57,434	57,434
Bank overdraft		-	-	-	-
Loans and borrowings		-	-	-	-
Total financial liabilities		**65,905**	**65,905**	**57,434**	**57,434**

(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.

Directors' declaration

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

1. The financial statements and notes, as set out on pages 9 to 39 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.

Paul Casbolt
Director

Signed at Logan Village on 24 September 2015.

Independent audit report

GILLOW & TEESE

Chartered Accountants

TEEGIL PTY LTD. ABN 96 072 119 772

Committed to your Business Success

Directors

Rick A. Gillow B. Com. CA C.dec
Alan R. Teese B. Com. CA
Scott J. Launder B. Bus. CA

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INDEPENDENT AUDITOR'S REPORT

To the Members of Logan Country Financial Services Limited

Report on the Financial Report

We have audited the accompanying financial report of Logan Country 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, statement of changes in equity and 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.

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 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.

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 whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Chartered Accountants

Liability limited by a scheme approved under Professional Standards Legislation

GILLOW & TEESE

Chartered Accountants

Directors

Rick A. Gillow B. Com. CA C.dec
Alan R. Teese B. Com. CA
Scott J. Launder B. Bus. CA

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INDEPENDENT AUDITOR'S REPORT

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 Logan Country Financial Services Limited on 21 September 2015, 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 Logan Country 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 and the Corporations Regulations 2001; and

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

GILLOW & TEESE
Chartered Accountants

A R Teese
Partner

Beaudesert, Queensland
Date: 25 September 2015

Chartered Accountants

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Phone: (07) 5546 3840

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