Annual Report 2015

Plantagenet Community Financial Services Ltd

ABN 89 096 387 816

Mount Barker **Community Bank**® Branch

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Chairman's report

For year ending 30 June 2015

Welcome to the 14th Annual Report. This year has been quite a difficult year, our inaugural Branch Manager Leigh Wallace retired in August last year and we thank him for his nearly 13 years of service to the our Mt Barker **Community Bank**® Branch, the branch is what it is today thanks to a large part to his efforts. Our replacement Manager Neil Bryant unfortunately resigned in late November and Vicki Baker our Customer Relationship Manager stepped up to become Acting Branch Manager until we could secure another Manager. This we did, and Sharon Bambling started work on 6 July. We are trialling a new concept in that we are sharing our new Manager with Tambellup-Cranbrook **Community Bank**® branches. She will spend approximately 60% of her time with us and 40% with Tambellup-Cranbrook. We look forward to seeing how this will work. It is very difficult to recruit professional staff to the country areas these days and this plan will secure an experienced Manager with cost savings to both our **Community Bank**® branches.

Many country areas have great difficulty attracting professional staff to their business and finding bank Managers is no different. It was also very difficult to find suitable houses for rent in Mt Barker. So the Board decided to purchase a decent house so we had one available whenever we needed accommodation for the Manager. This would also be a good attractant to have a house available for the new Manager.

Other staff changes have been that Vicki Baker has resigned to pursue other interests in early June after eight years of service in many roles within the bank and we sincerely thank her, not only for her years of service, but for the last seven months she was with us as acting Manager. It was not easy, but the growth of the branch and beating budget expectations is a testament to her and all the staff's hard work in a difficult period. In fact our book grew by $9.759 million to a total book of $125.538 million as of 30 June, which is $3.594 million greater than we budgeted for. We have been very lucky to secure the services of Tamara Knapp recently to replace Vicki. She started with us over 13 years ago as a CSO and has had many positions within Bendigo itself and other **Community Bank**® branches so is very experienced within the Bendigo Bank system.

In spite of the growth of our book, profitability is not what we hoped it would be. An indication of this is that the dollars that the bank pays us for our dollars invested has fallen 28% in the last 5 years. This of course comes off our bottom line, as the costs of running the branch have risen as with all businesses, with inflation, pay rises and general costs. These we have endeavoured to keep under control. This fall has many reasons some of which is due to the GFC, the low interest rates and what the Bank called "Restoring the Balance." This was due to the fact that payments had got out of kilter with the intention of the franchise agreement of a 50/50 split, luckily for us this was in our favour. Due to this and with strong advice from our accountants the Board decided not to pay a dividend this year. We considered it was more prudent to keep a more conservative approach until either conditions improve or we can significantly increase the size of our book. We aim to reinstate the dividend as soon as it is prudent to do so. Our agency in Walpole continues to contribute to our **Community Bank**® branch though due to cost pressures and falling usage we have been forced to close their ATM.

I need to inform you that due to Project Horizon, which is a total review of the **Community Bank**® branch system, the way income is allocated has changed, with slightly more income derived from deposits and slightly less derived from mortgages. This will benefit us reasonably well as we hold approximately 65% of our book as deposits. Unfortunately this will not start until the 1 July 2016.

Chairman's report (continued)

With all this we are very pleased to say that we have invested $52,750 by way of sponsorships, donations and scholarships into our community. Some 25 different organisations and projects have benefited; everything from the various schools, junior and senior sports; for the young and for the older members of our community. Our biggest sponsorship was the goal posts for the football, hockey and soccer clubs. I think you will all agree Sounness Park is turning out to be wonderful asset for our community and we are proud to have played a part.

I would like to finish by thanking our staff for their efforts in this difficult year and to thank all the Directors who have put in many voluntary hours to keep our **Community Bank®** branch investing into our community in so many different directions.

John Howard
Chairman

Manager's report

For year ending 30 June 2015

It is with great pleasure I report another year of positive results, achieving budget expectations. The combined deposit and lending portfolio sitting at $129 million as at 30 June 2015. Continued success of our business has meant we were able to commit funds of $52,752 back in to the local community in the past year.

These pleasing results can be attributed to the support given by our dedicated team of Lisa Clode, Sharon Ansel, Hayley Clarke, Brooke Heal, Carla Fulcher, Rachell Wierobiej and Alana. All providing an extremely high level of customer service and contributing to the success of our Mt Barker **Community Bank**® Branch.

Our ongoing support with the Walpole agency has provided a vital service where other banks have now withdrawn from the town. Business generated from the Agency has seen many Walpole organisations and community groups benefit as a result.

With the support of our customers we have proudly given back to many of our community groups. To name a few that have benefitted:

- Kendenup Primary School with funding to assist in the purchase of furniture in their library.
- Mt Barker Lions Club to help with a project supporting the Langton Secure Dementia Ward.
- Mt Barker Community College Year 11 Indonesian Geography East Bali Poverty Project.

I would like to acknowledge and thank our Board members who play a vital role in the success of our **Community Bank**® company. Their support, commitment and community engagement are to be commended and are very much appreciated by all staff.

Moving forward I warmly welcome our new Branch Manager, Sharon Bambling and Customer Relationship Manager, Tamara Knapp. These ladies have a huge amount of experience in Manager and Lending roles, therefore our branch will benefit from their joint experience. They will be supported by the dedicated team of Lisa Clode, Sharon Ansell, Brooke Heal, Rachell Wierobiej and Carla Fulcher.

Lastly and very importantly, I would like to thank our loyal customers for their continued support to our **Community Bank®** branch. They can take pride in the knowledge that their business is contributing to the funds given back to our own community in which we all benefit.

Vicki Baker
Customer Relationship Manager /Acting Branch Manager

Directors' report

For the financial year ended 30 June 2015

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

Directors

The names and details of the company's Directors who held office during or since the end of the financial year are:

John Reginald Howard
Chairperson
Farmer
Appointed 31/10/05

Sarah Wright
Vice Chairperson
Lawyer
Appointed 25/11/13

Elizabeth Van Zeyl
Director
Farmer
Appointed 26/11/07

James Rhind
Secretary/Treasurer
Teacher
Appointed 26/11/12

Heather York
Director
Small Business Owner
Appointed 24/11/14

Melanie Greeney
Director
Veterinary Assistant
Appointed 30/11/09

Ian Morgan
Director
Retired company Secretary
Appointed 24/11/14

Grant Cooper
Director
Farmer
Appointed 26/11/07

Marie O'Dea
Director
Project Officer
Resigned 24/11/14

Brian Appleby
Director
Retired Principal
Resigned 24/11/14

Rachel Handasyde
Director
Administration Officer
Appointed 25/11/13

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

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

Principal activities

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

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

Operating results

Operations have continued to perform in line with expectations. The profit / (loss) after income tax expense for the company for the financial year was $24,311 (2014: $46,156).

Dividends

	Year ended 30 June 2015	
	Cents per share	$
Final dividends recommended:		
Dividends paid in the year:		
- Interim for the year	-	-
- As recommended in the prior year report	-	-

Significant changes in the state of affairs

In the opinion of the Directors there were no significant changes in the state of affairs of the company that occurred during the financial year under review not otherwise disclosed in this report.

Significant events after the balance date

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

Likely developments

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

Directors' benefits

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.

Indemnification and insurance of Directors and Officers

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 Officers' 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 or a related body corporate.

Directors' report (continued)

Directors' meetings

The number of Directors' meetings attended during the year were:

Director	Board Meetings #	
John Reginald Howard	11	(11)
Sarah Wright	9	(11)
James Rhind	10	(11)
Elizabeth Van Zeyl	9	(11)
Rachel Handasyde	9	(11)
Heather York	3	(6)
Grant Cooper	11	(11)
Melanie Greeney	10	(11)
Marie O'Dea	5	(5)
Ian Morgan	5	(6)
Brian Appleby	2	(5)

The first number is the meetings attended while in brackets is the number of meetings eligible to attend.

Corporate governance

The company has implemented various corporate governance practices, which include:

(a) Director approval of operating budgets and monitoring of progress against these budgets;

(b) Ongoing Director training; and

(c) Monthly Director meetings to discuss performance and strategic plans.

Auditor Independence Declaration

The Directors received the following declaration from the Auditor of the company:

MACLEOD
CORPORATION PTY LTD.

A.B.N. 25 082 636 968
10 David Street
SPENCER PARK WA 6330
PO Box 4053
SPENCER PARK WA 6330
t. 08 9841 2277
f. 08 9841 3260
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e. paul@macleodcpa.com.au
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AUDITOR'S INDEPENDENCE DECLARATION
AS REQUIRED BY SECTION 307C OF THE CORPORATIONS ACT 2001

As lead Auditor for the audit of Plantagenet Community Financial Services Ltd for the year ended 30 June 2015, I declare to the best of my knowledge and belief, that there have been:

a) no contraventions of the Auditor independence requirements of the Corporations Act 2001, in the relation to the audit, and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

This Declaration is made in respect of Plantagenet Community Financial Services Ltd during the period of the audit.

Paul Gilbert, CPA MBA Director
Macleod Corporation Pty Ltd
Dated this 7th day of September 2015

CERTIFIED PRACTICING ACCOUNTANTS

Signed in accordance with a resolution of the Board of Directors at Mount Barker on 24 September 2015.

John Reginald Howard	**James Rhind**
Chairman	**Secretary/Treasurer**

Financial statements

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

	Note	2015 $	2014 $
Revenue from ordinary activities	2	911,481	909,748
Employee benefits expense	3	(455,011)	(494,222)
Charitable donations and sponsorship		(52,752)	(40,414)
Depreciation and amortisation expense	3	(22,729)	(15,960)
Finance costs	3	(18,782)	(7,372)
Decrease in valuation of asset		(16,193)	-
Other expenses from ordinary activities		(308,701)	(284,152)
Profit/(loss) before income tax expense		**37,313**	**67,628**
Income tax expense	4	(13,002)	(21,472)
Profit/(loss) after income tax expense		**24,311**	**46,156**
Other comprehensive income			
Revaluation of property plant and equipment		-	
Income tax on other comprehensive income		-	-
Total comprehensive income		**24,311**	**46,156**
Earnings per share (cents per share)			
- basic for profit / (loss) for the year	23	5.02	9.53
- diluted for profit / (loss) for the year	23	5.02	9.53

The accompanying notes form part of these financial statements.

Statement of Financial Position
as at 30 June 2015

	Note	2015 $	2014 $
Current assets			
Cash and cash equivalents	6	191,505	239,809
Receivables	7	85,826	94,121
Current tax refundable	4	10,035	
Loan Receivables	8	-	-
Prepayments		1,321	84
Total current assets		**288,687**	**334,014**
Non-current assets			
Property, plant and equipment	9	664,371	295,068
Loan Receivables	8	-	-
Deferred tax assets	4	-	2,789
Intangible assets	10	31,614	35,388
Other		118	118
Total non-current assets		**696,103**	**333,363**
Total assets		**984,790**	**667,377**
Current liabilities			
Payables	11	72,309	72,556
Loans and borrowings	12	21,119	19,627
Current tax payable	4	-	3,862
Provisions	13	21,510	41,581
Total current liabilities		**114,938**	**137,626**
Non-current liabilities			
Loans and borrowings	12	322,598	-
Deferred Tax Liability	4	797	-
Provisions	13	16,387	23,992
Total non-current liabilities		**339,782**	**23,992**
Total liabilities		**454,720**	**161,618**
Net assets		**530,070**	**505,759**
Equity			
Share capital	14	484,525	484,525
Retained earnings / (accumulated losses)	15	45,545	21,234
Total equity		**530,070**	**505,759**

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			
Cash receipts in the course of operations		917,513	910,642
Cash payments in the course of operations		(847,425)	(780,416)
Interest paid		(18,782)	(7,165)
Interest received		2,263	1,622
Income tax paid		(23,313)	(26,737)
Net cash flows from/(used in) operating activities	**16b**	**30,256**	**97,946**
Cash flows from investing activities			
Proceeds from Sale of Plant		-	-
Payments for property, plant and equipment		(402,650)	(29,916)
Net cash flows from/(used in) investing activities		**(402,650)**	**(29,916)**
Cash flows from financing activities			
Proceeds from borrowings		398,513	-
Repayment of loan			245,300
Payment for loan			(1,000)
Repayment of borrowings		(74,423)	(155,498)
Dividends paid			(19,381)
Net cash flows from/(used in) financing activities		**324,090**	**69,421**
Net increase/(decrease) in cash held		**(48,304)**	**137,451**
Cash and cash equivalents at start of year		239,809	102,358
Cash and cash equivalents at end of year	**16a**	**191,505**	**239,809**

The accompanying notes form part of these financial statements.

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

	Note	2015 $	2014 $
Share capital			
Balance at start of year		484,525	484,525
Issue of share capital		-	-
Share issue costs		-	-
Balance at end of year		**484,525**	**484,525**
Retained earnings / (accumulated losses)			
Balance at start of year		21,234	(5,540)
Profit/(loss) after income tax expense		24,311	46,155
Dividends paid	22	-	(19,381)
Balance at end of year		**45,545**	**21,234**

The accompanying notes form part of these financial statements.

Notes to the financial statements

For year ended 30 June 2015

Note 1. Basis of preparation of the financial report

(a) Basis of preparation

Plantagenet Community Financial Services Limited ('the company') is domiciled in Australia. The financial statements for the year ending 30 June 2015 are presented in Australian dollars. The company was incorporated in Australia and the principal operations involve providing **Community Bank**® services.

The financial statements have been prepared on an accruals basis and are based on historical costs and do not take into account changing money values or, except where stated, current valuations of non-current assets.

The financial statements require judgements, estimates and assumptions to be made that affect the application of accounting policies. Actual results may differ from these estimates.

(b) Statement of compliance

The financial report is a general purpose financial report, which has been prepared in accordance with Australian Accounting Standards (including Australian Interpretations) adopted by the Australian Accounting Standards Board and the Corporations Act 2001. The financial report of the company complies with International Financial Reporting Standards and interpretations adopted by the International Accounting Standards Board. Australian Accounting Standards that have been recently issued or amended, but are not yet effective, have not been adopted in the preparation of this financial report.

(c) Significant accounting policies

The following is a summary of the material accounting policies adopted. The accounting policies have been consistently applied and are consistent with those applied in the 30 June 2014 financial statements.

Income tax

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled.

Property, plant and equipment

Property, plant and equipment are brought to account at cost less accumulated depreciation and any impairment in value.

Land and buildings are measured at fair value less accumulated depreciation.

Note 1. Basis of preparation of the financial report (continued)

Property, plant and equipment (continued)

Depreciation is calculated on a straight line basis over the estimated useful life of the asset as follows:

Class of asset	Depreciation rate
Buildings	2.5%
Plant & equipment	10-20%

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

If any such indication exists and where the carrying value exceeds the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Revaluations

Following initial recognition at cost, land and buildings are carried at a revalued amount which is the fair value at the date of the revaluation less any subsequent accumulated depreciation on buildings and accumulated impairment losses.

Fair value is determined by reference to market based evidence, which is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date.

Recoverable amount of assets

At each reporting date, the company assesses whether there is any indication that an asset is impaired. Where an indicator of impairment exists, the company makes a formal estimate of the recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position. Cash flows are included in the Statement of Cash Flows on a gross basis.

The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

Notes to the financial statements (continued)

Note 1. Basis of preparation of the financial report (continued)

Employee benefits

The provision for employee benefits to wages, salaries and annual leave represents the amount which the company has a present obligation to pay resulting from employees' services provided up to the reporting date. The provision has been calculated on undiscounted amounts based on wage and salary rates expected to be paid and includes related on-costs.

The company contributes to a defined contribution plan. Contributions to employee superannuation funds are charged against income as incurred.

Intangibles

Franchise fee is amortised on a straight line basis at a rate of 10% per annum. Establishment costs have been initially recorded at cost and amortised on a straight line basis at a rate of 20% per annum.

Cash

Cash on hand and in banks are stated at nominal value.

For the purposes of the cash flow statement, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.

Comparative figures

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

Revenue

Interest and fee revenue is recognised when earned. All revenue is stated net of the amount of goods and services tax (GST).

Receivables and payables

Receivables and payables are non interest bearing and generally have payment terms of between 30 and 90 days. Receivables are recognised and carried at original invoice amount less a provision for any uncollected debts. Liabilities for trade creditors and other amounts are carried at cost that is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the company.

Loans and borrowings

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

Provisions

Provisions are recognised when the economic entity has a legal, equitable or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of past transactions or other past events, it is probable that a future sacrifice of economic benefits will be required and a reliable estimate can be made of the amount of the obligation.

A provision for dividends is not recognised as a liability unless the dividends are declared, determined or publicly recommended on or before the reporting date.

Note 1. Basis of preparation of the financial report (continued)

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.

	2015 $	2014 $

Note 2. Revenue from ordinary activities

	2015 $	2014 $
Operating activities		
- services commissions	903,232	893,196
- other revenue	-	14,930
Total revenue from operating activities	**903,232**	**908,126**
Non-operating activities:		
- interest received	2,263	1,622
- dividends received	8	-
- rental income	5,940	-
- other revenue	38	-
Total revenue from non-operating activities	**8,249**	**1,622**
Total revenue from ordinary activities	**911,481**	**909,748**

Note 3. Expenses

	2015 $	2014 $
Employee benefits expense		
- wages and salaries	400,433	426,086
- superannuation costs	50,437	66,252
- workers' compensation costs	1,397	1,617
- other costs	2,744	267
	455,011	**494,222**
Depreciation of non-current assets:		
- plant and equipment	12,234	6,159
- buildings	4,921	4,596
Amortisation of non-current assets:		
- intangibles	5,000	5,000
- establishment costs	574	205
	22,729	**15,960**

	2015 $	2014 $
Note 3. Expenses (continued)		
Finance Costs:		
- Interest paid	18,782	7,372
Bad debts	661	261

Note 4. Income tax expense

	2015 $	2014 $
The prima facie tax on profit/(loss) before income tax is reconciled to the income tax expense as follows:		
Prima facie tax on profit/(loss) before income tax at 30%	11,194	20,288
Add tax effect of:		
- Non-deductible expenses	1,808	1,184
- Prior year tax losses not previously brought to account	-	-
- Future income tax benefit not brought to account	-	-
Current income tax expense	**13,002**	**21,472**
Origination and reversal of temporary differences	-	-
Deferred income tax expense	**-**	**-**
Income tax expense	**13,002**	**21,472**
Tax liabilities		
Current tax payable / (refundable)	**(10,035)**	**3,862**
Deferred tax assets		
Future income tax benefits arising from tax losses are recognised at reporting date as realisation of the benefit is regarded as probable.	**-**	**2,789**
Deferred tax liabilities		
Future income tax liability arising from tax profits are recognised at reporting date as realisation of the liability is regarded as probable.	**797**	**-**

Note 5. Auditors' remuneration

	2015 $	2014 $
Amounts received or due and receivable by Lincolns for:		
- Audit or review of the financial report of the company	-	-
- Accounting	8,768	6,800
	8,768	**6,800**

	2015 $	2014 $

Note 5. Auditors' remuneration (continued)

MacLeod Corporation for:		
- Audit or review of the financial report of the company	**6,000**	**6,000**

Note 6. Cash and cash equivalents

Cash at bank and on hand	**191,505**	**239,809**

Note 7. Receivables

GST receivable	8,755	11,360
Trade debtors	77,071	81,062
Deposits held in trust	-	1,000
Loan H Bateman	-	700
	85,826	**94,122**

Note 8. Loan Receivables

Current		
Loans to other parties	**-**	**-**
Non-Current		
Loans to other parties	**-**	**-**

Note 9. Property, plant and equipment

Land		
4 Henton Peak Heights	382,500	-
Freehold land at cost	79,419	79,419
	461,919	**79,419**
Buildings		
At cost	206,901	204,135
Less accumulated depreciation	(56,110)	(51,189)
	150,791	**152,946**
Plant and equipment		
At cost	168,910	167,719
Less accumulated depreciation	(117,249)	(105,016)
	51,661	**62,703**
Total written down amount	**664,371**	**295,068**

Notes to the financial statements (continued)

	2015 $	2014 $
Note 9. Property, plant and equipment (continued)		
Movements in carrying amounts		
Buildings		
Carrying amount at beginning of year	152,946	144,907
Additions	2,766	12,635
Disposals	-	-
Depreciation expense	(4,921)	(4,596)
Carrying amount at end of year	**150,791**	**152,946**
Movements in carrying amounts		
Plant and equipment		
Carrying amount at beginning of year	62,703	57,512
Additions	1,191	17,281
Disposals	-	-
Depreciation expense	(12,233)	(12,090)
Carrying amount at end of year	**51,661**	**62,703**

Note 10. Intangible assets

Franchise fee		
At cost	150,000	150,000
Less accumulated amortisation	(120,000)	(115,000)
	30,000	**35,000**
Preliminary expenses		
At cost	3,857	2,057
Less accumulated amortisation	(2,243)	(1,669)
	1,614	**388**
	31,614	**35,388**

Note 11. Payables

Trade creditors	21,179	20,763
Other creditors and accruals	51,130	51,793
	72,309	**72,556**

	2015 $	2014 $

Note 12. Loans and borrowings

Current		
Bank Loans - Secured	**21,119**	**19,627**
Non current		
Bank Loans - Secured	**322,598**	**-**

Home loan

New Loan is repayabe monthly with the final instalment due in July 2039. The loan is secured by motgage over the Land & Buildings at 4 Henton Peak Heights.

Motor vehicle loan

Bank loans are repayable monthly with the final instalment due on November 2014. The loan is secured by mortgage over the motor vehicle of the company.

	$	$

Note 13. Provisions

Current		
Employee benefits	**21,510**	**41,581**
Non current		
Employee Benefits	**16,387**	**23,992**

Note 14. Share capital

484,525 Ordinary shares fully paid of $1 each	**484,525**	**484,525**

Note 15. Retained earnings / (accumulated losses)

Balance at the beginning of the financial year	21,234	(5,540)
Profit/(loss) after income tax	24,311	46,155
Dividends	-	(19,381)
Balance at the end of the financial year	**45,545**	**21,234**

Note 16. Statement of cash flows

(a) Cash and cash equivalents		
Cash assets	191,505	239,809
Bank overdraft	-	-
	191,505	**239,809**

	2015 $	2014 $
Note 16. Statement of cash flows (continued)		
(b) Reconciliation of profit / (loss) after tax to net cash provided from/(used in) operating activities		
Profit / (loss) after income tax	24,311	46,155
Non cash items		
- Depreciation	17,154	16,686
- Amortisation	5,574	5,205
- Interest & Fees on Loans	16,519	8,436
Changes in assets and liabilities		
- (Increase) decrease in receivables	7,296	2,128
- Increase (decrease) in payables	(246)	9,944
- Increase (decrease) in provisions	(39,116)	9,321
- (Increase) decrease in prepayments	(1,237)	70
Net cashflows from/(used in) operating activities	**30,256**	**97,945**

Note 17. Director and related party disclosures

The names of Directors who have held office during the financial year are:

John Reginald Howard
Marie O'Dea
Elizabeth Van Zeyl
James Rhind
Heather York
Melanie Greeney
Ian Morgan
Grant Cooper
Brian Appleby
Rachel Handasyde
Sarah Wright

No Director or related entity has entered into a material contract with the company. No Director's fees have been paid as the positions are held on a voluntary basis.

	2015	2014
Directors' shareholdings		
John Reginald Howard	4,000	4,000
Marie O'Dea	1,500	1,500
Elizabeth Van Zeyl	1,500	1,500
James Rhind	400	400
Heather York	-	

Notes to the financial statements (continued)

Note 17. Director and related party disclosures (continued)

	2015	2014
Directors' shareholdings (continued)		
Melanie Greeney	-	-
Ian Morgan	-	-
Grant Cooper	1,000	1,600
Brian Appleby	-	-
Rachel Handasyde	-	-
Sarah Wright	-	-

Grant Cooper sold 600 of his shares during the financial year. Each share held has a paid up value of $1 and is fully paid.

Note 18. Subsequent event and commitment

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

Note 19. Contingent liabilities

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

Note 20. Segment reporting

The economic entity operates in the financial services sector were it provides banking services to its clients. The economic entity operates in one geographic area being Mount Barker, WA.

Note 21. Corporate information

Plantagenet Community Financial Services Ltd is a company limited by shares incorporated in Australia.

The registered office is:	4 Short Street, Mount Barker
The principal place of business is:	4 Short Street, Mount Barker

Note 22. Dividends paid or provided for on ordinary shares

	2015 $	2014 $
(a) Dividends proposed and recognised as a liability		
Franked dividends	-	-
(b) Dividends paid during the year		
(i) Current year interim		
Unfranked dividends	-	-
(ii) Previous year final		
Franked dividends (2014: 4 cents per share)	-	19,381
(c) Dividends proposed and not recognised as a liability		
Franked dividends	-	-
(d) Franking credit balance		
The amount of franking credits available for the subsequent financial year are:		
- Franking account balance as at the end of the financial year	103,815	80,501
- Franking credits/debits that will arise from the payment/refund of income tax as at the end of the financial year	(9,954)	3,862
- Franking debits that will arise from the payment of dividends as at the end of the financial year	-	-
- Franking credits that will arise from the payment of dividends recognised as receivables at the reporting date	-	-
- Franking credits that the entity may be prevented from distributing in the subsequent year	-	-
	93,861	**84,363**

The tax rate at which dividends have been franked is 30% (2014: 30%).
Dividends proposed will be franked at a rate of 30% (2014: 30%).

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).

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	**24,311**	**46,155**
Weighted average number of ordinary shares for basic and diluted earnings per share	**484,525**	**484,525**

Note 24. Financial risk management

The company has exposure to credit risk, liquidity risk and market risk from their use of financial instruments.

This note presents information about the company's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

(a) Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. For the company it arises from receivables and cash assets.

The maximum exposure to credit risk at reporting date to recognised financial assets is the carrying amount of those assets as disclosed in the Statement of Financial Position and notes to the financial statements. The company's maximum exposure to credit risk at reporting date was:

	Carrying amount	
	2015 **$**	**2014** **$**
Cash assets	191,505	239,809
Receivables	85,826	94,121
	277,331	**333,930**

The company's exposure to credit risk is limited to Australia by geographic area. The entire balance of receivables is due from Bendigo and Adelaide Bank Limited.

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.

(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.

Note 24. Financial risk management (continued)

(b) Liquidity risk (continued)

The following are the estimated contractual maturities of financial liabilities, including estimated interest payments.

	Carrying amount $	Contractual cash flows $	1 Year or less $	Over 1 to 5 years $	More than 5 years $
30 June 2015					
Payables	72,309	72,309	72,309	-	-
Loans and borrowings	343,716	343,716	21,119	60,179	262,418
	416,025	**416,025**	**93,428**	**60,179**	**262,418**
30 June 2014					
Payables	72,556	72,556	72,556	-	-
Loans and borrowings	19,627	19,627	19,627	-	-
	92,183	**92,183**	**92,183**	**-**	**-**

(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.

Interest rate risk

Interest rate risk is that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company reviews the exposure to interest rate risk as part of the regular Board meetings.

Sensitivity analysis

At the reporting date the interest rate profile of the company's interest bearing financial instruments was:

	Carrying amount 2015 $	Carrying amount 2014 $
Fixed rate instruments		
Financial assets	-	-
Financial liabilities	343,716	19,627
	343,716	**19,627**
Variable rate instruments		
Financial assets	-	-
Financial liabilities	-	140,479
	-	**140,479**

Note 24. Financial risk management (continued)

(c) Market risk (continued)

Fair value sensitivity analysis for fixed rate instruments

The company does not account for any fixed interest rate financial assets or liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have minor impact on profit or retained earnings. For the analysis performed on the same basis as at 30 June 2014 there was also minor impact. As at both dates this assumes all other variables remain constant.

(d) Net fair values

The net fair values of financial assets and liabilities approximate the carrying values as disclosed in the Statement of Financial Position. The company does not have any unrecognised financial instruments at year end.

(e) 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 Franchisee 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 for the year ended 30 June 2015 can be seen in the Statement of Comprehensive Income.

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

Directors' declaration

In accordance with a resolution of the Directors of Plantagenet Community Financial Services Limited, I state that:

In the opinion of the Directors:

(a) the financial statements and notes of the company are 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 their performance for the year ended on that date; and

(ii) complying with Accounting Standards in Australia and Corporations Regulations 2001;

(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

(c) this declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ending 30 June 2015.

John Reginald Howard	**James Rhind**
Chairman	**Secretary/Treasurer**

Signed at Mount Barker on 24 September 2015.

Independent audit report

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INDEPENDENT AUDITOR'S REPORT
To: The Members of Plantagenet Community Financial Services Ltd

Report on the Financial Report
We have audited the accompanying financial report of Plantagenet Community Financial Services Ltd, which comprises the statement of financial position as at 201530 June 2015, the statement of comprehensive income, statement of changes in Equity, statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies, 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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 that gives a true and fair view 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 Plantagenet Community Financial Services Ltd, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion
In our opinion the financial report of Plantagenet Community Financial Services Ltd 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

CERTIFIED PRACTICING ACCOUNTANTS

Other Reporting Obligations

(a) We have been given all information, explanation and assistance necessary for the conduct of the audit; and

(b) In our opinion Plantagenet Community Financial Services Ltd has kept financial records sufficient to enable a financial report to be prepared and audited; and

(c) In our opinion Plantagenet Community Financial Services Ltd has kept other records and registers as required by the Corporations Act, 2001.

Paul Gilbert
Macleod Corporation Pty Ltd
Dated this 21st day of September 2015

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