

**San Remo District Financial Services Limited**  
**Financial Statements**  
**as at**  
**31 December 2013**

**San Remo District Financial Services Limited**  
**ABN 20 102 770 150**  
**Directors' Report**

Your Directors submit the financial report of the Company for the half year ended 31 December 2013.

**Directors**

The names of directors who held office during or since the end of the half-year:

Terry Ashenden (Chairman)

Joan Matthews

Miranda Sage

Peter Paul

Caroline Talbot

Janice Rowlingson

Bruce Procter

Craig Semple

Kathy Jones

Anthony Zoanetti

Patrick Russell

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

**San Remo District Financial Services Limited**  
**ABN 20 102 770 150**  
**Directors' Report**

**Principal activities**

The principal activities of the Company during the course of the financial period were providing community banking services under management rights to operate a franchised branch of Bendigo & Adelaide Bank Limited.

**Review and results of operations**

Operations have continued to perform in line with expectations. The net profit of the company for the financial period was \$110,316 (2012: \$70,511).

**Matters subsequent to the end of the reporting period**

There are no matters or circumstances that have arisen since the end of the half year reporting period 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.

**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 period under review not otherwise disclosed in this report.

**Auditor's independence declaration**

The auditor's independence declaration under Section 307C of the Corporations Act 2001 is set out on page 3 for the half year ended 31 December 2013.

The director's report is signed in accordance with a resolution of the Board of Directors at San Remo District Financial Services Limited on 5 March 2014.



Terence S Ashenden, Chairperson

**Auditor's Independence Declaration under section 307C of the Corporations Act 2001 to  
the Directors of San Remo Community Financial Services Limited.**

I declare that to the best of my knowledge and belief, during the half-year ended 31 December 2013 there have been no contraventions of:

- (i) the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

**RICHMOND SINNOTT & DELAHUNTY**  
Chartered Accountants



**P. P. Delahunty**  
Partner

Level 2, 10-16 Forest Street  
Bendigo VIC 3550

Dated at Bendigo, 5<sup>th</sup> March 2014

**San Remo District Financial Services Limited**  
**ABN 20 102 770 150**  
**Statement of Profit or Loss and Other Comprehensive Income**  
**for the half-year ended 31 December 2013**

|                                                              | <b>31-Dec<br/>2013<br/>\$</b> | <b>31-Dec<br/>2012<br/>\$</b> |
|--------------------------------------------------------------|-------------------------------|-------------------------------|
| Revenue                                                      | 1,052,301                     | 1,001,161                     |
| Other revenue                                                | 12,728                        | 15,593                        |
| Employee benefits expense                                    | (487,194)                     | (418,989)                     |
| Depreciation and amortisation expense                        | (42,948)                      | (54,122)                      |
| Other expenses from ordinary activities                      | <u>(242,795)</u>              | <u>(263,449)</u>              |
| <b>Profit before charitable donations &amp; sponsorships</b> | 292,092                       | 280,194                       |
| Charitable donations and sponsorship                         | <u>(126,667)</u>              | <u>(169,091)</u>              |
| <b>Profit before income tax</b>                              | 165,425                       | 111,103                       |
| Income tax expense                                           | <u>(55,109)</u>               | <u>(40,592)</u>               |
| <b>Profit for the period</b>                                 | 110,316                       | 70,511                        |
| Other comprehensive income                                   | <u>-</u>                      | <u>-</u>                      |
| <b>Total comprehensive income for the period</b>             | <u><u>110,316</u></u>         | <u><u>70,511</u></u>          |
| <b>Earnings per share (cents per share)</b>                  |                               |                               |
| - basic earnings per share                                   | 7.79                          | 4.98                          |
| - diluted earnings per share                                 | 7.79                          | 4.98                          |

The accompanying notes form part of these financial statements

**San Remo District Financial Services Limited**  
**ABN 20 102 770 150**  
**Statement of Financial Position**  
**as at 31 December 2013**

|                                          | 31-Dec<br>2013<br>\$ | 30-Jun<br>2013<br>\$ |
|------------------------------------------|----------------------|----------------------|
| <b>ASSETS</b>                            |                      |                      |
| <b>Current Assets</b>                    |                      |                      |
| Cash and cash equivalents                | 1,194,974            | 1,086,061            |
| Trade and other receivables              | 171,068              | 153,206              |
| Deferred Tax Asset                       | 23,632               | 21,046               |
| <b>Total Current Assets</b>              | <u>1,389,674</u>     | <u>1,260,313</u>     |
| <b>Non-Current Assets</b>                |                      |                      |
| Property, plant and equipment            | 387,239              | 409,060              |
| Intangible assets                        | 46,599               | 60,020               |
| <b>Total Non-Current Assets</b>          | <u>433,838</u>       | <u>469,080</u>       |
| <b>Total Assets</b>                      | <u>1,823,512</u>     | <u>1,729,393</u>     |
| <b>LIABILITIES</b>                       |                      |                      |
| <b>Current Liabilities</b>               |                      |                      |
| Trade and other payables                 | 97,218               | 70,455               |
| Loans and borrowings                     | 5,910                | 11,824               |
| Current tax payable                      | 70,530               | 39,693               |
| Provisions                               | 71,589               | 151,008              |
| <b>Total Current Liabilities</b>         | <u>245,247</u>       | <u>272,980</u>       |
| <b>Non-Current Liabilities</b>           |                      |                      |
| Loans and borrowings                     | 14,030               | 13,215               |
| Deferred Tax Liability                   | 66,593               | 63,685               |
| <b>Total Non-Current Liabilities</b>     | <u>80,623</u>        | <u>76,900</u>        |
| <b>Total Liabilities</b>                 | <u>325,870</u>       | <u>349,880</u>       |
| <b>Net Assets</b>                        | <u>1,497,642</u>     | <u>1,379,513</u>     |
| <b>Equity</b>                            |                      |                      |
| Issued capital                           | 1,423,739            | 1,415,926            |
| Retained earnings / (accumulated losses) | 73,903               | (36,413)             |
| <b>Total Equity</b>                      | <u>1,497,642</u>     | <u>1,379,513</u>     |

The accompanying notes form part of these financial statements

**San Remo District Financial Services Limited**  
**ABN 20 102 770 150**  
**Statement of Changes in Equity**  
**for the half-year ended 31 December 2013**

|                                                              |   | Issued<br>Capital<br>\$ | Retained<br>Earnings<br>\$ | Total<br>Equity<br>\$ |
|--------------------------------------------------------------|---|-------------------------|----------------------------|-----------------------|
| <b>Balance at 1 July 2012</b>                                |   | 1,415,926               | (33,991)                   | 1,381,935             |
| <b>Total comprehensive income for the period</b>             |   | -                       | 70,511                     | 70,511                |
| <b>Transactions with owners in their capacity as owners:</b> |   |                         |                            |                       |
| Shares issued during the period                              |   | -                       | -                          | -                     |
| Dividends recognised for the period                          | 5 | -                       | -                          | -                     |
| <b>Balance at 31 December 2012</b>                           |   | <u>1,415,926</u>        | <u>36,520</u>              | <u>1,452,446</u>      |
| <b>Balance at 1 July 2013</b>                                |   | 1,415,926               | (36,413)                   | 1,379,513             |
| <b>Total comprehensive income for the period</b>             |   | -                       | 110,316                    | 110,316               |
| <b>Transactions with owners in their capacity as owners:</b> |   |                         |                            |                       |
| Writeback equity raising costs                               |   | 7,813                   |                            | 7,813                 |
| Shares issued during the period                              |   | -                       | -                          | -                     |
| Dividends recognised for the period                          | 5 | -                       | -                          | -                     |
| <b>Balance at 31 December 2013</b>                           |   | <u>1,423,739</u>        | <u>73,903</u>              | <u>1,497,642</u>      |

The accompanying notes form part of these financial statements

**San Remo District Financial Services Limited**  
**ABN 20 102 770 150**  
**Statement of Cash Flows**  
**for the half-year ended 31 December 2013**

|                                                    | 31-Dec<br>2013<br>\$    | 31-Dec<br>2012<br>\$    |
|----------------------------------------------------|-------------------------|-------------------------|
| <b>Cash Flows From Operating Activities</b>        |                         |                         |
| Receipts from customers                            | 1,163,065               | 1,077,950               |
| Payments to suppliers and employees                | (947,077)               | (907,533)               |
| Interest paid                                      | (815)                   | -                       |
| Interest received                                  | 12,454                  | 15,626                  |
| Income tax paid                                    | <u>(23,950)</u>         | <u>(6,147)</u>          |
| <b>Net cash flows from operating activities</b>    | <u>203,677</u>          | <u>179,896</u>          |
| <br>                                               |                         |                         |
| Proceeds from issue of shares                      | -                       | -                       |
| Proceeds from borrowings                           | -                       | -                       |
| Repayment of borrowings                            | (5,099)                 | (6,673)                 |
| Dividends paid                                     | <u>(89,665)</u>         | <u>(44,662)</u>         |
| <b>Net cash flows used in financing activities</b> | <u>(94,764)</u>         | <u>(51,335)</u>         |
| <br>                                               |                         |                         |
| <b>Net increase in cash held</b>                   | 108,913                 | 128,561                 |
| <br>                                               |                         |                         |
| Cash and cash equivalents at beginning of period   | <u>1,086,061</u>        | <u>937,135</u>          |
| <b>Cash and cash equivalents at end of period</b>  | <u><u>1,194,974</u></u> | <u><u>1,065,696</u></u> |

The accompanying notes form part of these financial statements

**San Remo District Financial Services Limited**  
**ABN 20 102 770 150**  
**Notes to the Financial Statements**  
**for the half-year ended 31 December 2013**

**1. Summary of significant accounting policies**

**(a) Basis of preparation**

These general purpose interim financial statements for the half-year reporting period ended 31 December 2013 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of San Remo District Financial Services Limited ("the Company"). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Company. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended 30 June 2013, together with any public announcements made during the following half-year.

**(b) Accounting policies**

The same accounting policies and methods of computation have been followed in this interim financial report as were applied to the most recent annual financial statements.

**(c) Critical accounting estimates and judgements**

The critical estimates and judgements are consistent with those applied and disclosed in the June 2013 annual report.

**(d) New and revised accounting requirements applicable to the current half year reporting period**

For the half year reporting period to 31 December 2013, a number of new and revised Accounting Standard requirements became mandatory for the first time, some of which are relevant to the Company. A discussion of these new and revised requirements that are relevant to the Company is provided below:

**Fair Value Measurements and disclosures**

The Company has adopted AASB 13: Fair Value Measurement and AASB 2011-8: *Amendments to Australian Accounting Standards arising from AASB 13* from July 1 2013 together with consequential amendments to other Standards. These Standards became mandatorily applicable from 1 January 2013 and became applicable to the Company for the first time in the current half-year reporting period 1 July 2013 to 31 December 2013. AASB 13 sets out a comprehensive framework for measuring the fair value of assets and liabilities and prescribes enhanced disclosures regarding all assets and liabilities measured at fair value. Although these Standards do not significantly impact the fair value amounts reported in the Company's financial statements, the directors have determined that additional accounting policies providing a general description of fair value measurement and each level of the fair value hierarchy, should be incorporated in these financial statements.

**Other**

Other new and amending Standards that became applicable to the Group for the first time during this half-year reporting period are as follows:

*AASB 2012-2: Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities* and *AASB 2012-5: Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle*.

**San Remo District Financial Services Limited**  
**ABN 20 102 770 150**  
**Notes to the Financial Statements**  
**for the half-year ended 31 December 2013**

**(d) New and revised accounting requirements applicable to the current half year reporting period (continued)**

These Standards make changes to presentation and disclosure requirements, but did not affect the Company's accounting policies or the amounts reported in the financial statements.

AASB 119: *Employee Benefits* (September 2011) and AASB 2011-10: *Amendments to Australian Accounting Standards arising from AASB 119* (September 2011).

These Standards did not affect the Company's accounting policies or the amounts reported in the financial statements, mainly because the Company does not have defined benefit plan assets or obligations.

The Company has not elected to adopt any other new standards or amendments that are issued but not yet effective.

**2. Events after the End of the Interim Period**

There have been no events subsequent to reporting date that would materially effect the financial statements at the reporting date.

**3. Contingent assets and liabilities**

Since the last annual reporting date there has been no material change of any contingent assets or contingent liabilities.

**4. Segment reporting**

The economic entity operates in the financial services sector where it provides banking services to its clients. The economic entity operates in one geographic area being Bass Coast Shire.

**5. Dividends**

The dividend of \$94,337 that was provided for as at 30th June 2013 was the only dividend paid during the period. There were no other dividends provided or paid for during the reporting period.

**6. Analysis of other comprehensive income**

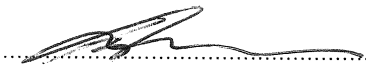
There was no other comprehensive income during the reporting period.

**San Remo District Financial Services Limited**  
**ABN 20 102 770 150**  
**Directors Declaration**  
**for the half-year ended 31 December 2013**

In accordance with a resolution of the directors of San Remo District Financial Services Limited the directors of the Company declare that:

- (1) The financial statements and notes, as set out on pages 4 to 9 are in accordance with the Corporations Act 2001, including:
  - (a) complying with Accounting Standard AASB 134, "Interim Financial Reporting"; and
  - (b) giving a true and fair view of the Company's financial position as at 31 December 2013 and of its performance for the half-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 declaration is made in accordance with a resolution of the Board of Directors

  
.....  
Terence S Ashenden, Chairperson

Signed at Newhaven on 5 March 2014

**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF  
SAN REMO DISTRICT FINANCIAL SERVICES LIMITED**

**Report on the Half-year Financial Report**

We have reviewed the accompanying half year financial report of San Remo District Financial Services Limited, which comprises the Condensed Statement of Financial Position as at 31 December 2013, the Condensed Statement of Profit or Loss and Other Comprehensive Income, Condensed Statement of Changes in Equity, and Condensed Statement of Cash Flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

*Directors' Responsibility for the Half-year Financial Report*

The directors of San Remo District Financial Services Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year 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 a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with *Corporations Act 2001* including: giving a true and fair view of San Remo District Financial Services Limited's financial position as at 31 December 2013 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of San Remo District Financial Services Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written auditor's independence declaration, a copy which is included in the director's report.

### *Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of San Remo District Financial Services Limited is not in accordance with the *Corporations Act 2001* including:

- (i) giving a true and fair view of San Remo District Financial Services Limited's financial position as at 31 December 2013 and of its performance for the half year ended on that date; and
- (ii) complying with AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

**Richmond Sinnott & Delahunty**  
**Chartered Accountants**



**P. P. Delahunty**  
**Partner**  
**Level 2, 10 – 16 Forest Street**  
**Bendigo VIC 3550**

**Dated: 5<sup>th</sup> March 2014**