

Supplement to the Final Report
For the period ended 31 December 2014

Details to be read in conjunction with the Financial Statements attached herewith.

For announcement to the market

				\$A,000
Revenue	up	0.69%	to	2,040
Profit (loss) after tax for the period	up	19.59%	to	116
Profit (loss) for the period attributable to members of the parent	up	19.59%	to	116
Dividends	Current period		Previous corresponding period	
Franking rate applicable: 100%				
Final dividend				
Record date: 23 October 2014 Payment date: 24 October 2014				
Amount per security	\$0.03		\$0.03	
Franked amount per security	\$0.03		\$0.03	
Interim dividend <i>(Half yearly report only)</i>				
Amount per security				
Franked amount per security	N/A		N/A	
Short details of any bonus or cash issue or other item(s) of importance not previously released to the market: NIL				
NTA Backing	Current period		Previous corresponding period	
Net tangible asset backing per ordinary security	\$0.41		\$0.35	

Valley Community Financial Services Limited
Financial Statements
as at
31 December 2014

Valley Community Financial Services Limited
ABN 86 092 399 730
Directors' Report

Your Directors submit the financial report of the Company for the half year ended 31 December 2014.

Directors

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

Barry Henwood (Chairman)
Malcolm Hackett
Stephen Bennett
Ingrid Crichton
Daryl Brooke
Philip Marendaz
Carole Bury
Carol Jenkinson
Phillip Burt

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 \$116,424 (2013: \$97,317).

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.

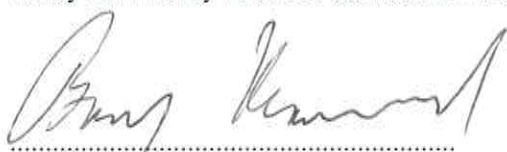
Significant changes in the state of affairs

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 2 for the half year ended 31 December 2014.

The director's report is signed in accordance with a resolution of the Board of Directors at Valley Community Financial Services Limited on 25th February 2015.



Barry Henwood, Chairperson



**Richmond
Sinnott &
Delahunty**

Chartered Accountants

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Bendigo, VICTORIA
PO Box 30, Bendigo VICTORIA 3552

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

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December
2014 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

Kathie Teasdale
Partner
Level 2, 10-16 Forest Street
Bendigo VIC 3550

Dated, 2nd March 2015

Valley Community Financial Services Limited
ABN 86 092 399 730
Statement of Profit or Loss and Other Comprehensive Income
for the half-year ended 31 December 2014

	31-Dec 2014 \$	31-Dec 2013 \$
Revenue	2,040,300	2,026,232
Employee benefits expense	(1,074,518)	(1,050,695)
Depreciation and amortisation expense	(93,785)	(100,539)
Other expenses from ordinary activities	<u>(616,651)</u>	<u>(588,053)</u>
Profit before charitable donations & sponsorships	255,346	286,945
Charitable donations and sponsorship	<u>(87,162)</u>	<u>(146,056)</u>
Profit before income tax	168,184	140,889
Income tax expense	<u>(51,760)</u>	<u>(43,572)</u>
Profit for the period	116,424	97,317
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u>116,424</u>	<u>97,317</u>
Profit attributable to members of the company	116,424	97,317
Total comprehensive income attributable to members of the company	<u>116,424</u>	<u>97,317</u>
Earnings per share (cents per share)		
- basic earnings per share	2.87	2.40

The accompanying notes form part of these financial statements

Valley Community Financial Services Limited
ABN 86 092 39 730
Statement of Financial Position
as at 31 December 2014

	31-Dec 2014 \$	30-Jun 2014 \$
ASSETS		
Current Assets		
Cash and cash equivalents	977,393	885,325
Trade and other receivables	329,808	324,679
Total Current Assets	<u>1,307,201</u>	<u>1,210,004</u>
Non-Current Assets		
Property, plant and equipment	824,121	825,037
Deferred tax asset	49,502	43,080
Intangible assets	581,141	647,056
Total Non-Current Assets	<u>1,454,764</u>	<u>1,515,173</u>
Total Assets	<u>2,761,965</u>	<u>2,725,177</u>
LIABILITIES		
Current Liabilities		
Trade and other payables	101,273	109,929
Loans and borrowings	37,801	33,432
Current tax payable	28,356	19,390
Provisions	108,647	91,894
Total Current Liabilities	<u>276,077</u>	<u>254,645</u>
Non-Current Liabilities		
Loans and borrowings	204,538	189,190
Provisions	56,062	50,921
Total Non-Current Liabilities	<u>260,600</u>	<u>240,111</u>
Total Liabilities	<u>536,677</u>	<u>494,756</u>
Net Assets	<u>2,225,288</u>	<u>2,230,421</u>
Equity		
Issued capital	2,055,876	2,055,876
Retained earnings	169,412	174,545
Total Equity	<u>2,225,288</u>	<u>2,230,421</u>

The accompanying notes form part of these financial statements

Valley Community Financial Services Limited
ABN 86 092 399 730
Statement of Changes in Equity
for the half-year ended 31 December 2014

		Issued Capital \$	Retained Earnings \$	Total Equity \$
Balance at 1 July 2013		2,055,876	87,668	2,143,544
Total comprehensive income for the period		-	97,317	97,317
Transactions with owners in their capacity as owners:				
Shares issued during the period		-	-	-
Dividends recognised for the period	5	-	(121,558)	(121,558)
Balance at 31 December 2013		<u>2,055,876</u>	<u>63,427</u>	<u>2,119,303</u>
Balance at 1 July 2014		2,055,876	174,545	2,230,421
Total comprehensive income for the period		-	116,424	116,424
Transactions with owners in their capacity as owners:				
Shares issued during the period		-	-	-
Dividends recognised for the period	5	-	(121,557)	(121,557)
Balance at 31 December 2014		<u>2,055,876</u>	<u>169,412</u>	<u>2,225,288</u>

The accompanying notes form part of these financial statements

Valley Community Financial Services Limited
ABN 86 092 399 730
Statement of Cash Flows
for the half-year ended 31 December 2014

	31-Dec 2014 \$	31-Dec 2013 \$
Cash Flows From Operating Activities		
Receipts from customers	2,225,273	1,771,576
Payments to suppliers and employees	(1,961,475)	(1,537,823)
Interest paid	(5,298)	(5,403)
Interest received	11,578	12,747
Income tax paid	(49,216)	(81,761)
Net cash flows from operating activities	<u>220,862</u>	<u>159,336</u>
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(26,954)	(6,256)
Net cash flows used in investing activities	<u>(26,954)</u>	<u>(6,256)</u>
Cash Flows From Financing Activities		
Proceeds from borrowings	31,942	-
Repayment of borrowings	(12,225)	(11,194)
Dividends paid	(121,557)	(121,558)
Net cash flows used in financing activities	<u>(101,840)</u>	<u>(132,752)</u>
Net increase in cash held	92,068	20,328
Cash and cash equivalents at beginning of period	<u>885,325</u>	<u>678,347</u>
Cash and cash equivalents at end of period	<u><u>977,393</u></u>	<u><u>698,675</u></u>

The accompanying notes form part of these financial statements

Valley Community Financial Services Limited
ABN 86 092 399 730
Notes to the Financial Statements
for the half-year ended 31 December 2014

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 2014 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial entity for financial reporting purposes under Australian Accounting Standards. 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 Valley Community 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 2014, 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 2014 annual report.

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

The following Australian Accounting Standards and amendments to Australian Accounting Standards have become mandatory for the reporting period commencing 1 July 2014:

- AASB 2012-3: Amendments to Australian Accounting Standards - Offsetting Financial Assets and Liabilities.
- AASB 2013-3: Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets.
- AASB 2013-4: Amendments to Australian Accounting Standards - Derivatives and Continuation of Hedge
- AASB 2013-5: Amendments to Australian Accounting Standards - Investment Entities.
- AASB 2013-9: Amendments to Australian Accounting Standards - Part B: Materiality.
- Interpretation 21: Levies.
- AASB 2014-1: Amendments to Australian Accounting Standards:
 - Part A: Annual Improvements 2010-2012 and 2011-2013 Cycles
 - Part B: Defined Benefit Plans: Employee Contributions (Amendments to AASB 119)
 - Part C: Materiality

None of the above new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2014 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods. There were no other new or revised Accounting Standards and Interpretations effective for the current reporting period relevant to the company that were not disclosed in the annual financial report for the year ended 30 June 2014.

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

4. Segment reporting

The economic entity operates in the financial services sector where it provides banking services to its clients. The economic entity operates within the Shires of Nilumbik, Whittlesea and Murrundindi, Victoria.

Valley Community Financial Services Limited
ABN 86 092 399 730
Notes to the Financial Statements
for the half-year ended 31 December 2014

	2014	2013
	\$	\$
5. Dividends		
<i>Dividends paid during the half year</i>		
Final fully franked dividend for the year ended 30 June 2014 of 3 cents (2013: 3 cents)	121,557	121,557

6. Analysis of other comprehensive income

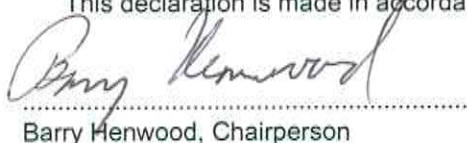
There was no other comprehensive income during the reporting period.

Valley Community Financial Services Limited
ABN 86 092 399 730
Directors Declaration
for the half-year ended 31 December 2014

In accordance with a resolution of the directors of Valley Community Financial Services Limited the directors of the Company declare that:

- (1) The financial statements and notes, as set out on pages 4 to 8 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 2014 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


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Barry Henwood, Chairperson

Signed at Diamond Creek on 25th February 2015

**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF
VALLEY COMMUNITY FINANCIAL SERVICES LIMITED**

Report on the Half-year Financial Report

We have reviewed the accompanying half year financial report of Valley Community Financial Services Limited, which comprises the Statement of Financial Position as at 31 December 2014, the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, and 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 Valley Community 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 Valley Community Financial Services Limited's financial position as at 31 December 2014 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 Valley Community 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 Valley Community Financial Services Limited is not in accordance with the *Corporations Act 2001* including:

- (i) giving a true and fair view of Valley Community Financial Services Limited's financial position as at 31 December 2014 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



Kathie Teasdale
Partner
Level 2, 10 – 16 Forest Street
Bendigo VIC 3550

Dated: 2 March 2015