

# **Ettalong Beach**

**Financial Services Limited**

**Financial Statements**

**for the half-year ended**

**31 December 2014**

**Ettalong Beach Financial Services Limited**  
**ABN 37 110 069 120**  
**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 the half year and until the date of this report are as below:

Dominic John Michael Gage

Donald John Wilson

Bruce Maxwell Croft

Robert Henry Millwood

Paul David Thomas

Jeanette Maxine Polley

Kenneth Ronald Dixon

Andrew Thomas Tregent

Charles Hedley Brock (*Resigned 24 July 2014*)

**Principal Activities**

The principal activity of the company during the financial period was facilitating **Community Bank®** services under management rights to operate a franchised branch of Bendigo and 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 after the provision of income tax was: \$33,709 [2013: \$34,291].

**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.

**Auditors' Independence Declaration**

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 2.

Signed in accordance with a resolution of the directors at Ettalong Beach, New South Wales on 26 February 2015.



**Dominic John Michael Gage, Chairman**

**Lead auditor's independence declaration under section 307C of the *Corporations Act 2001* to the directors of Ettalong Beach Financial Services Limited**

We declare that, to the best of our knowledge and belief, for the half-year ended 31 December 2014 there have been no contraventions of:

- the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review
- any applicable code of professional conduct in relation to the review.



**Andrew Frewin Stewart**  
61 Bull Street, Bendigo Vic 3550



**David Hutchings**  
Lead Auditor

Dated: 26 February 2015

**Ettalong Beach Financial Services Limited**  
**ABN 37 110 069 120**  
**Statement of Profit or Loss and Other Comprehensive Income**  
**for the half-year ended 31 December 2014**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Revenue from ordinary activities	376,715	371,240
Employee benefits expense	(196,766)	(173,534)
Charitable donations, sponsorship, advertising and promotion	(20,635)	(16,800)
Occupancy and associated costs	(25,743)	(29,470)
Systems costs	(11,069)	(11,805)
Depreciation and amortisation expense	(17,772)	(17,791)
Finance costs	(2,096)	(6,487)
General administration expenses	(54,478)	(66,366)
	<hr/>	<hr/>
<b>Profit before income tax expense</b>	48,156	48,987
Income tax expense	(14,447)	(14,696)
	<hr/>	<hr/>
<b>Profit after income tax expense</b>	33,709	34,291
	<hr/>	<hr/>
<b>Total comprehensive income for the year attributable to members</b>	<b>33,709</b>	<b>34,291</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>Earnings per Share</b>	<b>¢</b>	<b>¢</b>
Basic from profit for the period:	4.45	4.75

*The accompanying notes form part of these financial statements.*

**Ettalong Beach Financial Services Limited**  
**ABN 37 110 069 120**  
**Balance Sheet**  
**as at 31 December 2014**

	31-Dec 2014	30-Jun 2014
	\$	\$
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash assets	97,368	71,400
Trade and other receivables	66,060	69,678
<b>Total Current Assets</b>	<u>163,428</u>	<u>141,078</u>
<b>Non-Current Assets</b>		
Property, plant and equipment	87,234	98,279
Intangible assets	3,363	10,090
Deferred tax asset	145,148	159,595
<b>Total Non-Current Assets</b>	<u>235,745</u>	<u>267,964</u>
<b>Total Assets</b>	<u>399,173</u>	<u>409,042</u>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Trade and other payables	32,617	34,873
Provisions	16,126	17,149
<b>Total Current Liabilities</b>	<u>48,743</u>	<u>52,022</u>
<b>Non-Current Liabilities</b>		
Borrowings	80,000	100,000
Provisions	29,171	26,769
<b>Total Non-Current Liabilities</b>	<u>109,171</u>	<u>126,769</u>
<b>Total Liabilities</b>	<u>157,914</u>	<u>178,791</u>
<b>Net Assets</b>	<u>241,259</u>	<u>230,251</u>
<b>Equity</b>		
Issued capital	722,104	722,104
Accumulated losses	(480,845)	(491,853)
<b>Total Equity</b>	<u>241,259</u>	<u>230,251</u>

*The accompanying notes form part of these financial statements.*

**Ettalong Beach Financial Services Limited**  
**ABN 37 110 069 120**  
**Statement of Changes in Equity**  
**for the half-year ended 31 December 2014**

	<b>Issued Capital \$</b>	<b>Accumulated Losses \$</b>	<b>Total Equity \$</b>
<b>Balance at 1 July 2013</b>	722,104	(543,017)	179,087
Total comprehensive income for the year	<u>-</u>	<u>34,291</u>	<u>34,291</u>
	<b>722,104</b>	<b>(508,726)</b>	<b>213,378</b>
<b>Transactions with owners in their capacity as owners:</b>			
Shares issued during period	-	-	-
Costs of issuing shares	-	-	-
Dividends provided for or paid	<u>-</u>	<u>(18,918)</u>	<u>(18,918)</u>
<b>Balance at 31 December 2013</b>	<b><u>722,104</u></b>	<b><u>(527,645)</u></b>	<b><u>194,460</u></b>
<b>Balance at 1 July 2014</b>	722,104	(491,853)	230,251
Total comprehensive income for the year	<u>-</u>	<u>33,709</u>	<u>33,709</u>
	<b>722,104</b>	<b>(458,144)</b>	<b>263,960</b>
<b>Transactions with owners in their capacity as owners:</b>			
Shares issued during period	-	-	-
Costs of issuing shares	-	-	-
Dividends provided for or paid	<u>-</u>	<u>(22,701)</u>	<u>(22,701)</u>
<b>Balance at 31 December 2014</b>	<b><u>722,104</u></b>	<b><u>(480,845)</u></b>	<b><u>241,259</u></b>

*The accompanying notes form part of these financial statements.*

**Ettalong Beach Financial Services Limited**  
**ABN 37 110 069 120**  
**Statement of Cash Flows**  
**for the half-year ended 31 December 2014**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>Cash Flows From Operating Activities</b>		
Receipts from customers	406,214	394,927
Payments to suppliers and employees	(335,504)	(331,897)
Interest paid	(2,096)	(6,487)
Interest received	55	93
<b>Net cash provided by/(used in) operating activities</b>	<b>68,669</b>	<b>56,636</b>
<b>Cash Flows From Financing Activities</b>		
Repayment of borrowings	(20,000)	(150,000)
Dividends paid	(22,701)	(18,918)
<b>Net cash provided by/(used in) financing activities</b>	<b>(42,701)</b>	<b>(168,918)</b>
<b>Net increase/(decrease) in cash held</b>	25,968	(112,282)
Cash at the beginning of the financial year	71,400	156,024
<b>Cash at the end of the half-year</b>	<b>97,368</b>	<b>43,742</b>

*The accompanying notes form part of these financial statements.*

**Ettalong Beach Financial Services Limited**  
**ABN 37 110 069 120**  
**Notes to the financial statements**  
**for the half-year ended 31 December 2014**

**Note 1. Summary of Significant Accounting Policies**

Statement of Compliance

The half-year financial statements are a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard *IAS 34: Interim Financial Reporting*.

Basis of Preparation

The half-year financial report is intended to provide users with an update on the latest annual financial statements and does not include all the notes of the type normally included in an annual financial report. Accordingly the report shall be read in conjunction with the annual financial report for the year ended 30 June 2014 and any public announcements made by the company during the period.

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

The half-year financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Amendments to Accounting Standards and the new Interpretation that are mandatorily effective for the current reporting period

The following Australian Accounting Standards, amendments to Australian Accounting Standards and Interpretation have become mandatory for adoption for the financial year commencing on 1 July 2014:

- AASB 1031 - Materiality (2013)
- AASB 2012-3 - Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities
- AASB 2013-3 - Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets
- AASB 2013-4 - Amendments to Australian Accounting Standards - Novation of Derivatives and Continuation of Hedge Accounting
- AASB 2013-5 - Amendments to Australian Accounting Standards - Investment Entities
- AASB 2013-9 - Amendments to Australian Accounting Standards - Part B: Materiality
- 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
- Interpretation 21 - Levies



**Ettalong Beach Financial Services Limited**  
**ABN 37 110 069 120**  
**Notes to the financial statements**  
**for the half-year ended 31 December 2014**

**Note 1. Summary of Significant Accounting Policies (continued)**

*Amendments to Accounting Standards and the new Interpretation that are mandatorily effective for the current reporting period (continued)*

None of the new standards, amendments to standards or interpretation 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.

The company has not elected to apply any pronouncements before their mandatory operative date in the annual reporting period beginning 1 July 2014.

**Note 2. Events Subsequent to Reporting Date**

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

**Note 3. Contingent Assets and Liabilities**

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

**Note 4. Segment Reporting**

The economic entity operates in a single service sector where it facilitates community banking services in Ettalong Beach, New South Wales pursuant to a franchise agreement with Bendigo and Adelaide Bank Limited.

**Note 5. Related Parties**

Arrangements with related parties continue to be in place. For details on these arrangements, refer to the 30 June 2014 annual financial report.

**Note 6. Dividends Paid/Provided**

	<u>2014</u> <u>Cents</u>	<u>2014</u> <u>\$</u>	<u>2013</u> <u>Cents</u>	<u>2013</u> <u>\$</u>
Unfranked dividend declared and paid during the period:	3	22,701	2.5	18,918

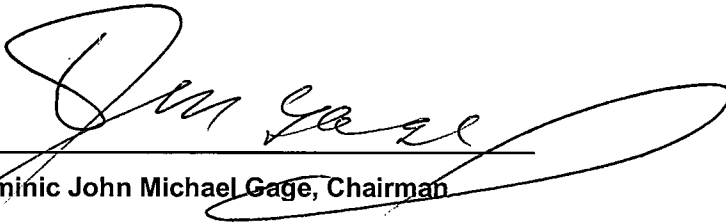
**Ettalong Beach Financial Services Limited**  
**ABN 37 110 069 120**  
**Directors' Declaration**

In the opinion of the directors of Ettalong Beach Financial Services Limited ("the company"):

1. The financial statements and notes thereto are in accordance with the *Corporations Act 2001* including:
  - (a) giving a true and fair view of the financial position of the entity as at 31 December 2014 and of its performance, as represented by the results of its operations and cash flows for the half-year ended on that date;
  - (b) complying with Australian Accounting Standard *AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*; and
2. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the board of directors.



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**Dominic John Michael Gage, Chairman**

Dated this 26th day of February 2015.

## **Independent auditor's review report to the members of Ettalong Beach Financial Services Limited**

### **Report on the half-year financial report**

We have reviewed the accompanying half-year financial report of Ettalong Beach Financial Services Limited, which comprises the balance sheet 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 the company 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 the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **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 the 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 the *Corporations Act 2001* including: giving a true and fair view of the company'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 Ettalong Beach 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.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by directors or management.

## Independence

In conducting our review we have complied with the independence requirements of the *Corporations Act 2001*.

## Auditor's opinion

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 Ettalong Beach Financial Services Limited is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the company's financial position at 31 December 2014 and of its performance for the half-year ended on that date
- b) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.



**Andrew Frewin Stewart**  
61 Bull Street, Bendigo Vic 3550



**David Hutchings**  
Lead Auditor

Dated: 26 February 2015