GOSNELLS FINANCIAL SERVICES LIMITED

ABN 11 095 764 533

FINANCIAL REPORT

FOR THE YEAR ENDED
30 JUNE 2015

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ABN 11 095 764 533

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C O N T E N T S

Directors' Report

For the financial year ended 30 June 2015

Your Directors present their report, together with the financial statements of the Company for the financial year ended 30 June 2015.

The information on Directors who held office during or since the end of the year are:

Raymond Norvill	(Appointed 1/7/13)
Position	Chairman, Non-Executive Director
Occupation	Pastor
Background Information	Raymond is married with two daughters and seven grandchildren. He has lived in the Gosnells community for eight years and is one of the pastors of Real Life Church. He has worked as a pipe fitter and welder, cable jointer, bus driver and a senior hospital officer in the UK prison service. Raymond is a previous Director of the Gosnells Community Bank® Branch, and is currently the Chair of Gosnells Youth CARE district council, which employs 19 school chaplains. Raymond is also Chair of Choose Respect Inc, a not-for-profit company that helps people relate to one another with a language of mutual respect.
Directorship Held in Other Entities	Nil
Interest in Shares and Options	Nil

Brian Antunovich	(Appointed 1/7/13)
Position	Non-Executive Director
Occupation	Retiree
Background Information	Brian was born and bred in Gosnells and is a member of the original steering committee for the Gosnells Community Bank® Branch. Brian has extensive experience in sales and marketing, as a business owner representing national and international manufacturers of air-conditioning, leisure goods and automotive products. Brian also has previous experience as a chairman and has been a member of many industry committees. He is a former chairperson of St Munchins Catholic School Board and school committee. Brian is also a life member and past president of Gosnells Football Club, of which the Gosnells Community Bank® Branch is a major sponsor.
Directorship Held in Other Entities	Nil
Interest in Shares and Options	Nil

Christine French	(Appointed 25/8/14)
Position	Non-Executive Director
Occupation	Retiree.
Background Information	Christine has lived in Gosnells for the past 26 years and retired from the Australian Taxation Office (ATO) in July 2014 after 16 years of service which included roles as Executive assistant to the Assistant Commissioner, Debt Collection Officer and Technical Support Officer in the area of Debt Hardship. Christine was also a member of the Perth Accommodation Team which oversaw the refurbishment of the ATO's Northbridge Office when the ATO's Cannington Office was closed and all staff were relocated to Northbridge. Christine has also worked in other government agencies and in the private sector in the fields of sales, mining, public relations and hospitality. Christine plays lawn bowls and has been a member of the Gosnells Bowling Club for 22 years where she has previously undertaken the role of Vice President and has served on various committees.
Directorship Held in Other Entities	Nil
Interest in Shares and Options	Nil

Michelle Lennox	(Resigned as Director 18/8/14)
Position	Executive Director
Occupation	Bank Manager
Background Information	Branch Manager of Gosnells Community Bank® since July 2004. Michelle holds a very unique and privileged position of also having been a Director of Gosnells Financial Services Ltd since 2006. Michelle also holds a certificate 111 in Financial Services and has completed many courses throughout her Banking career. Born and bred in the small country town of Northampton WA, where she lived for 17 years with her parents, Michelle is very familiar with Community involvement and the importance of supporting the people within that Community. From the age of 16, Michelle has been employed in various areas and departments within the banking industry. To Michelle banking is just one part of her role and the most exciting part is her involvement within the Community in which she lives and works. To see Community groups prosper from our sponsorships and assistance is the best possible reward she feels she could ever ask for.
Directorship Held in Other Entities	Nil
Interest in Shares and Options	Nil

Iggy Moro	(Appointed 25/2/15)
Position	
Occupation	Accountant
Background Information	Iggy is a Fellow of Chartered Accountants Australia and New Zealand (CAANZ) and a Chartered Tax Advisor through the Tax Institute Australia. He has been a public practice accountant since 1992 and running accounting practices since 2003, currently is a Director and owner of Walker Wayland (WA) Pty Ltd. He has assisted businesses to reach their full potential ranging from small family businesses to multi-national organisations. The type of advisory work he has assisted clients with include purchase and sale of businesses, business structuring and planning, retirement planning, cash flow projections, property development, construction, trades and professionals. Other experience includes lecturing tax at UWA, tax, accounting and business strategy with CAANZ, committee member (including Treasurer and Chair positions) for not for profit boards, a local primary schools and an alumni association. Iggy is married with 3 children, has lived locally all his life and understands the local issues in the area. Iggy was previously on the board in 2010-2012.
Directorship Held in Other Entities	Nil
Interest in Shares and Options	Nil

Robert Gibbons	(Appointed 29/5/13)
Position	Non-Executive Director
Occupation	Retired
Background Information	Robert has lived in the City of Gosnells for 38 years. He retired in 2000 after 44 years with Telstra, where he was a national manager for service improvement. He has held many volunteer positions with various sporting groups. Robert was awarded the Australian Sporting Medal (ASM) in 2000 for his contribution to AFL Football. Robert is involved in many community groups, volunteering at the Fremantle Dockers AFL Club, the Gosnells Bowling Club and the Perth Demons District Junior Association.
Directorship Held in Other Entities	Nil
Interest in Shares and Options	Nil
Directorship Held in Other Entities	Nil
Interest in Shares and Options	Nil

Resigned Directors

Norman Barratt	(Resigned 1/7/14)
Position	Non-Executive Director
Directorship Held in Other Entities	Nil
Interest in Shares and Options	Nil
Raymond Smith	(Resigned 3/10/14)
Position	Non-Executive Director, Company Secretary
Directorship Held in Other Entities	Nil
Interest in Shares and Options	Nil
Leon Glucina	(Resigned 1/7/14)
Position	Non-Executive Director, Treasurer
Directorship Held in Other Entities	Nil
Interest in Shares and Options	Nil
Albert Kalajzich	(Resigned 25/2/15)
Position	Non-Executive Director
Directorship Held in Other Entities	Nil
Interest in Shares and Options	Nil

Company Secretary

Raymond Smith	(Resigned 3/10/14)
Background Information	(Refer above)
Debie Brockhoff	(Appointed 27/10/14)

Meeting of Directors

During the financial year, 10 meetings of directors were held. Attendance by each director during the year was as follows:

Names of Directors	Directors' Meetings	
	Number Eligible to Attend	Number Attended
Brian Antunovich	10	10
Michelle Lennox	10	10
Albert Kalajzich	6	6
Raymond Norvill	10	10
Raymond Smith	2	2
Robert Gibbons	10	10
Christine French	9	8
Iggy Moro	4	3

Principal Activities and Significant Changes in Nature of Activity

The principal activity of the company during the financial year was to provide community banking services under management rights to operate a franchised branch of Bendigo and Adelaide Bank Limited.

There was no significant changes in the nature of the company's principal activity.

Review of Operations and Operating Results

The focus of the Company's operations during the year was the operation of the **Gosnells Community Bank®** branch of Bendigo Bank, pursuant to a franchise agreement. The loss of the company after providing for income tax amounted to $19,779. This represented a decrease on the results reported for the year ended 30 June 2014 (Profit $1,579).

Financial Position

The net assets of the Company have decreased from $954,048 as at 30 June 2014 to $934,773 as at 30 June 2015.

The Directors believe that whilst the Company is not currently returning a profit, there are indications that this will be corrected by the end of the 2016/17 financial year.

Dividends Paid or Recommended

The Company did not declare a dividend in the 2014/15 financial year.

Significant changes in state of affairs

No significant changes in the state of affairs declarable.

Events after the Reporting Period

No matters or circumstances have arisen since the end of the financial year that 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 financial years.

Future Developments

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report, as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

Options

No options over issued shares or interests in the Company were granted to Directors or Executives during or since the end of the financial year and there were no options outstanding at the date of this report. The Directors and Executive do not own any options over issued shares or interests in the Company at the date of this report.

Indemnifying Officers or Auditor

Indemnities have been given, during and since the end of the financial year, for any persons who are or have been a Director or an officer, but not an auditor, of the Company. The insurance contract prohibits disclosure of any details of the cover.

Environmental issues

The Company’s operations are not regulated by any significant environmental regulation under a law of the Commonwealth, State or Territory. The Company does, however, provide quarterly environmental measures to Bendigo and Adelaide Bank in order to assist in collective reporting under the National Greenhouse & Energy Reporting Act 2007 (NGER Act).

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Corporate Governance

The Directors have a strong commitment to good corporate governance. Their guiding principle in meeting this responsibility is to act honestly, conscientiously and fairly in accordance with the law in the interest of investors and other stakeholders.

Corporate Governance and Audit Committee

Gosnells Financial Services Limited addresses the Corporate Governance and Audit requirements of the company through regular meetings of the Finance Committee. The members of the committee are:

- Raymond Norvill (Chairman, Non-executive Director)
- Iggy Moro (Treasurer, Non-executive Director)
- Tanya Poynter (Finance Officer, Non Director)

In addition to the reporting function of the Committee, the Finance Committee assist the Board in fulfilling its oversight responsibilities by reviewing:

- The financial information of the Company;
- The systems of internal control (governance) which management and the Board have established;
- The overall audit process of the Company;
- Regulatory obligations of the Company and compliance with these requirements;
- The systems of risk management which management and the Board have established.

Non-audit Services

The Board is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the services disclosed below did not compromise the external auditor’s independence for the following reasons:

- all non-audit services are reviewed and approved by the Board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with *APES 110: Code of Ethics for Professional Accountants* set by the Accounting Professional and Ethical Standards Board.

Non-audit services provided by the Auditor during the 2015 financial year extend solely to the provision of taxation services.

Remuneration Report

This report details the nature and amount of remuneration for the key management person of the company, Michelle Lennox. Michelle Lennox is the Branch Manager, but not a Director. All other Directors are volunteers, and do not receive a remuneration for their time.

Remuneration policy

The remuneration policy of the Company has been designed to align key management personnel objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Company’s financial results. The Board of the Company believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best key management personnel to run and manage the Company, as well as create goal congruence between Directors, Branch Manager and shareholders

The Board's policy for determining the nature and amount of remuneration for key management personnel of the Company is as follows:

- The remuneration policy, setting the terms and conditions for the key management personnel, was developed by the Board.
- All key management personnel receive a base salary (which is based on factors such as length of service and experience), and superannuation.
- The Board reviews key management personnel packages annually by reference to the Company's performance, Executive performance and comparable information from industry sectors.

The performance of key management personnel is measured against criteria agreed annually with each Executive and is based predominantly on the forecast growth of the Company's profits and shareholders' value. All bonuses and incentives must be linked to predetermined performance criteria. The Board may, however, exercise its discretion in relation to approving incentives and bonuses, which must be justified by reference to measurable performance criteria. The policy is designed to attract the highest calibre of Executives and reward them for performance that results in long-term growth in shareholder wealth.

The key management personnel receive a superannuation guarantee contribution required by the government, which during the 2015 financial year was 9.50%, and do not receive any other retirement benefits. Some individuals may have chosen to sacrifice part of their salary to increase payments towards superannuation.

All remuneration paid to key management personnel is valued at the cost to the Company and expensed.

Performance-based remuneration

As part of each key management personnel's remuneration package, there is a performance-based component consisting of key performance indicators (KPIs). The intention of this program is to facilitate goal congruence between key management personnel with that of the business and shareholders. The KPIs are set annually, with a certain level of consultation with key management personnel to ensure buy-in. The measures are specifically tailored to the areas each key management personnel is involved in and has a level of control over. The KPIs target areas the Board believes hold greater potential for Company expansion and profit, covering financial and non-financial as well as short- and long-term goals. The level set for each KPI is based on budgeted figures for the Company and respective industry standards.

Performance in relation to the KPIs is assessed annually, with bonuses being awarded depending on the number and deemed difficulty of the KPIs achieved. Following the assessment, the KPIs are reviewed by the remuneration committee in light of the desired and actual outcomes, and their efficiency is assessed in relation to the Company's goals and shareholder wealth, before the KPIs are set for the following year

In determining whether or not a KPI has been achieved, the Company bases the assessment on audited figures.

Company performance, shareholder wealth and executive remuneration

The remuneration policy has been tailored to increase goal congruence between shareholders and Executives. The method applied in achieving this aim is a performance based bonus based on key performance indicators. The Company believes this policy to have been effective in increasing shareholder wealth over the past years.

Key management personnel remuneration policy

The remuneration structure for key management personnel is based on a number of factors, including length of service, particular experience of the individual concerned, and overall performance of the company. The contracts for service between the company and key management personnel are on a continuing basis, the terms of which are not expected to change in the immediate future. Upon retirement key management personnel are paid employee benefit entitlements accrued to date of retirement.

The employment conditions of the key management personnel are formalised in contracts of employment. All Executives are permanent employees of the Company.

The employment contracts stipulate a resignation periods. The Company may terminate an employment contract without cause by providing appropriate written notice or making payment in lieu of notice, based on the individual's annual salary component together with a redundancy payment. Termination payments are generally not payable on resignation or dismissal for serious misconduct. In the instance of serious misconduct the Company can terminate employment at any time.

Performance income as a proportion of total remuneration

Executives are paid performance based bonuses based on set monetary figures, rather than proportions of their salary. This has led to the proportions of remuneration related to performance varying between individuals. The Board has set these bonuses to encourage achievement of specific goals that have been given a high level of importance in relation to the future growth and profitability of the Company.

The Board will review the performance bonuses to gauge their effectiveness against achievement of the set goals, and adjust future years' incentives as they see fit to ensure use of the most cost effective and efficient methods.

Remuneration of Directors

The Board approved the following payments to the Directors of the Company during the years ended 30 June 2015 and 30 June 2014.

Names of Directors	2015 $	2014 $
Michelle Lennox	24,663	131,154
Brian Antunovich	-	-
Raymond Norvill	-	-
Norman Barratt	-	-
Raymond Smith	-	-
Leon Glucina	-	-
Albert Kalajzich	-	-
Robert Gibbons	-	-
Total Remuneration	**24,663**	**131,154**

The above remuneration report does not contain amounts paid in reimbursement for Company expenses.

Michelle Lennox resigned as a Director in August 2014. Payments noted above reflect periods of Directorship only.

Key Management Personnel Remuneration

	Salary, Fees and Commissions	Superannuation Contributions	Cash Bonus	Non-cash Benefits	Total	Performance related
	$	$	$	$	$	%
2014						
Michelle Lennox	120,218	10,936	-	-	131,154	-
	120,218	**10,936**	**-**	**-**	**131,154**	**-**
2015						
Michelle Lennox	123,168	11,675	-	-	134,843	-
	123,168	**11,675**	**-**	**-**	**134,843**	**-**

Performance income as a proportion of total remuneration

Executives are paid performance based bonuses based on set monetary figures, rather than proportions of their salary. The Board has set these bonuses to encourage achievement of specific goals that have been given a high level of importance in relation to the future growth and profitability of the Company.

The Board will review the performance bonuses to gauge their effectiveness against achievement of the set goals, and adjust future years' incentives as they see fit to ensure use of the most cost effective and efficient methods.

Auditor's Independence Declaration

The auditor's independence declaration under section 307C of the *Corporations Act 2001* is set out on page 12 of the financial report.

This directors' report, incorporating the remuneration report, is signed in accordance with a resolution of the Board of Directors.

DIRECTOR/CHAIRMAN – RAY NORVILL

PERTH
DATED THIS 21ST DAY OF SEPTEMBER 2015.

Directors' Declaration

The Directors of the Company declare that:

1. the accompanying financial statements and notes are in accordance with the *Corporations Act 2001* and:

   a. comply with Accounting Standards; and
   b. give a true and fair view of the financial position as at 30 June 2015 and of the performance for the year ended on that date of the Company;

2. the Chief Executive Officer and Chairman of Corporate Governance and Audit Committee have each declared that:

   a. the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
   b. the financial statements and notes for the financial year comply with the Accounting Standards; and
   c. the financial statements and notes for the financial year give a true and fair view; and

3. 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.

DIRECTOR/CHAIRMAN – RAY NORVILL

PERTH
DATED THIS 21ST DAY OF SEPTEMBER 2015.

MACRI PARTNERS

Certified Practising Accountants

PARTNERS
Anthony Macri FCPA
Domenic Macri CPA
Connie De Felice CA

Auditor's Independence Declaration

Under Section 307C of the Corporations Act 2001
To the Directors of Gosnells Financial Services Limited

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

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

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

MACRI PARTNERS
CERTIFIED PRACTISING ACCOUNTANTS
SUITE 2, 137, BURSWOOD ROAD
BURSWOOD WA 6100

A MACRI
PARTNER

PERTH
DATED THIS 21ST DAY OF SEPTEMBER 2015.

Suite 2, 137 Burswood Rd, Burswood WA 6100 PO Box 398, Victoria Park WA 6979 P (08) 9470 4848 F (08) 9470 4849 E mail@macripartners.com.au W macripartners.com.au

MACRI PARTNERS

PARTNERS
Anthony Macri FCPA
Domenic Macri CPA
Connie De Felice CA

Certified Practising Accountants

Independent Auditor's Report

To the Members of Gosnells Financial Services Limited

Report on the Financial Report

We have audited the accompanying financial report of Gosnells Financial Services Limited (the company), which comprises the statement of financial position as at 30 June 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the 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. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

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. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

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

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Independent Auditor's Report continued

Auditor's Opinion

In our opinion:

a. the financial report of Gosnells Financial Services Limited is in accordance with the *Corporations Act 2001*, including:

   i. giving a true and fair view of the company's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

   ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*;

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

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of Gosnells Financial Services Limited for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.

Macri Partners

MACRI PARTNERS
CERTIFIED PRACTISING ACCOUNTANTS
SUITE 2, 137, BURSWOOD ROAD
BURSWOOD WA 6100

A MACRI
PARTNER

PERTH
DATED THIS 21ST DAY OF SEPTEMBER 2015.

Statement of Comprehensive Income

For the Year Ended 30 June 2015

	Note	2015 $	2014 $
Revenue	2	753,081	805,385
Other income	2	32,291	35,744
Employee Benefits Expense		(467,390)	(470,577)
Depreciation and Amortisation Expense	3	(18,465)	(19,930)
Other Expenses		(328,182)	(351,537)
Profit/(Loss) before Income Tax		(28,666)	(915)
Income Tax (Expense)/Credit	4	8,887	2,494
Net Profit/(Loss) for the Year		(19,779)	1,579
Other Comprehensive Income			
Items that may be reclassified subsequently to profit or loss:			
Fair value gains on available-for-sale financial assets, net of tax		504	17,893
Other Comprehensive Income for the Year		504	17,893
Total Comprehensive Income / (Loss) for the Year		(19,275)	19,472
Total Comprehensive Income / (Loss) Attributable to:			
Members of the Entity		(19,275)	19,472
Earnings per Share			
From Overall Operations:			
Basic Earnings per Share (cents)		-3.34	0.27
Diluted Earnings per Share (cents)		-3.34	0.27

The accompanying notes form part of these financial statements.

Statement of Financial Position

As at 30 June 2015

	Note	2015 $	2014 $
ASSETS			
Current Assets			
Cash and cash equivalents	7	804,769	835,028
Trade and other receivables	8	60,528	74,534
Financial assets	9	147,120	146,400
Other assets	10	1,703	5,427
Current tax assets	15	-	8,094
Total Current Assets		1,014,120	1,069,483
Non-Current Assets			
Property, plant and equipment	11	20,907	28,866
Intangible assets	12	15,833	25,833
Deferred tax assets	15	27,036	21,471
Total Non-Current Assets		63,776	76,170
TOTAL ASSETS		1,077,896	1,145,653
LIABILITIES			
Current Liabilities			
Trade and other payables	13	62,082	106,350
Short-term provisions	14	51,513	59,235
Total Current Liabilities		113,595	165,585
Non-Current Liabilities			
Long-term provisions	14	12,389	5,776
Deferred tax liabilities	15	17,139	20,244
Total Non-Current Liabilities		29,528	26,020
TOTAL LIABILITIES		143,123	191,605
NET ASSETS		934,773	954,048
EQUITY			
Issued capital	16	588,400	588,400
Retained earnings		346,373	365,648
TOTAL EQUITY		934,773	954,048

The accompanying notes form part of these financial statements.

Statement of Changes in Equity
For the Year Ended 30 June 2015

	Note	Issued Ordinary Capital	Retained Earnings	Total
		$	$	$
Balance at 1 July 2013		588,400	392,750	981,150
Profit/(loss) attributable to the members of the company		-	1,579	1,579
Other Comprehensive Income		-	17,893	17,893
Dividends paid or provided for	5	-	(46,574)	(46,574)
Balance at 30 June 2014		588,400	365,648	954,048
Balance at 1 July 2014		588,400	365,648	954,048
Profit/(loss) attributable to the members of the company		-	(19,779)	(19,779)
Other Comprehensive Income		-	504	504
Dividends paid or provided for	5	-	-	-
Balance at 30 June 2015		588,400	346,373	934,773

The accompanying notes form part of these financial statements.

Statement of Cash Flows
For the Year Ended 30 June 2015

	Note	2015 $	2014 $
Cash flows from operating activities			
Receipts from customers		832,340	896,227
Payments to suppliers and employees		(822,527)	(830,877)
Income tax paid / refunded		8.095	21,714
Interest received		35,443	22,349
GST Paid		(43,981)	(61,006)
Net cash provided by (used in) operating activities	17	9,370	48,407
Cash flows from investing activities			
Purchase of plant and equipment		(506)	(5,236)
Proceeds on sale of plant and equipment		-	455
Purchase of available-for-sale financial assets		-	-
Payment of franchise fees		-	-
Dividends received		7,920	7,440
Net cash provided by (used in) investing activities		7,414	2,659
Cash flows from financing activities			
Dividends paid		(47,043)	(857)
Net cash provided by (used in) financing activities		(47,043)	(857)
Net increase/(decrease) in cash held		(30,259)	50,209
Cash and cash equivalents at beginning of financial year		835,028	784,820
Cash and cash equivalents at end of financial year	7	804,769	835,028

The accompanying notes form part of these financial statements.

This financial report covers Gosnells Financial Services Limited as an individual entity. Gosnells Financial Services Limited is a public company, incorporated and domiciled in Australia.

Note 1: Statement of Significant Accounting Policies

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied, unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historic costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(a) Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expenses reflects movements in deferred tax assets and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

(a) Income tax (continued)

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

When temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(b) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Property

Freehold land and buildings are brought to account at cost or at independent or Board of Directors' valuation.

Plant and equipment

Plant and equipment is measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining the recoverable amounts.

The cost of fixed assets constructed within the entity includes the costs of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, is depreciated over their useful lives commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Depreciation (continued)

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

Class of Fixed Asset	Depreciation Rate
Plant and equipment	10% - 25%

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period.

An asset's carrying value is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(c) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that is transferred to the company, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with lessor, are charged as expense in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(d) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately

Classification and Subsequent Measurement

Financial assets are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

(i) the amount at which the financial asset or financial liability is measured at initial recognition;
(ii) less principal repayments;
(iii) plus or minus the cumulative amortisation of the differences, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
(iv) less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the related period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The company does not designate any interest in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. All other loans and receivables are classified as non-current assets.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. All other investments are classified as current assets.

If during the period the company sold or reclassified more than as significant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investments category would be tainted and reclassified as available-for-sale.

(iv) Available for sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with changes in such fair value (i.e. gains or losses) recognised in other comprehensive income (except for impairment losses and foreign exchange gains and losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. All other financial assets are classified as current assets.

(v) Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Derivative Instruments

Derivative instruments are measured at fair value. Gains and losses arising from changes in fair value are taken to the statement of comprehensive income unless they are designated as hedges.

The Company does not hold derivative instruments.

Fair Value

Fair value is determined based on current bid prices of all quoted investments. Valuation techniques are applied to determine the fair value of all unlisted securities, including arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

Financial Guarantees

Where material, financial guarantees issued, which require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due, are recognised as a financial liability at fair value on initial recognition.

The guarantee is subsequently measured at the higher of the best estimate of the obligation and the amount initially recognised less, when appropriate, cumulative amortisation in accordance with AASB 118: Revenue. Where the entity gives guarantees in exchange for a fee, revenue is recognised under AASB 118.

The company has not issued any financial guarantees.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

(e) Impairment of Assets

At each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment test is performed annually for goodwill and intangible assets with indefinite lives.

(f) Intangibles

Franchise Fee

The franchise fee paid by the company pursuant to a Franchise Agreement with Bendigo and Adelaide Bank Limited is being amortised over five (5) years period of the agreement, being the period of expected economic benefits of the franchise fee.

(g) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

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

(h) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(i) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short- term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within short-term borrowings in current liabilities in the statement of financial position.

(j) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remains unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

(k) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowings costs are recognised in income in the period in which they are incurred.

(l) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.

All dividends received shall be recognised as revenue when the right to receive the dividend has been established.

Revenue recognition relating to provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the service performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

All revenue is stated net of the amount of goods and services tax (GST).

(m) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables in the statement of financial position are shown inclusive of GST. The net amount of GST receivable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(n) Comparative Figures

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

When the Company applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period will be disclosed.

(o) Critical Accounting Estimates and Judgements

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

(i) Impairment

The company assesses impairment at the end of each reporting period by evaluation conditions and events specific to the company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

No impairment has been recognised in respect of intangibles for the year ended 30 June 2015. Should the projected turnover figures be materially outside of budgeted figures incorporated in value-in-use calculations, an impairment loss would be recognised up to the maximum carrying value of intangibles at 30 June 2015 amounting to $15,833.

(p) New Accounting Standards for Application in Future Periods

Accounting Standards and Interpretations issued by the AASB that are not yet mandatorily applicable to the Company, together with an assessment of the potential impact of such pronouncements on the Company when adopted in future periods, are discussed below:

- AASB 9: *Financial Instruments* and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018)

  The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

  The key changes that may affect the Company on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of the Standard, the application of such accounting would be largely prospective.

  Although the directors anticipate that the adoption of AASB 9 may have an impact on the Company's financial instruments, including hedging activity, it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 15: *Revenue from Contracts with Customers* (applicable to annual reporting periods commencing on or after 1 January 2017)

When effective, this Standard will replace the current accounting requirements, applicable to the revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- Identify the contra(s) with a customer;
- Identify the performance obligations in the contract(s);
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract(s); and
- Recognise revenue when (or as) the performance obligations are satisfied.

This Standard will require retrospective restatement, as well as enhanced disclosures regarding revenue.

Although the directors anticipate that the adoption of AASB 15 may have an impact on the Company's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 10 Consolidated Financial Statements and AASB 11 Joint Arrangements

AASB 10 Consolidated Financial Statements provides a revised definition of "control" and may result in an entity having to consolidate an investee that was not previously consolidated and/or deconsolidate an investee that was consolidated under the previous accounting pronouncements.

AASB 11 Joint Arrangements requires joint arrangements to be classified as either "joint operations" (where the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities) or "joint ventures" (where the parties that have joint control of the arrangement have rights to the net assets of the arrangement).

However, since the company does not hold an interest in any entity which would be deemed to be its subsidiary, nor is it part of any joint arrangement, there is no requirement to prepare consolidated financial statements on application of AASB 10 or adopt the equity method of accounting on application of AASB 11. The company is also not required to provide enhanced disclosures under AASB 12. To facilitate the application of AASBs 10 and 12, revised versions of AASB 127 and AASB 128 were also issued. There is no impact on the company's financial statements as a result of the adoption of AASB 127 and AASB 128.

- AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities

This standard provides clarifying guidance relating to the offsetting of financial instruments and does not impact the company's financial statements.

- AASB 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets

This standard amends the disclosure requirements in AASB 136: Impairment of Assets pertaining to the use of fair value in impairment assessment and does not impact the company's financial statements.

- AASB 2013-5 Amendments to Australian Accounting Standards – Investment Entities

This standard amends AASB 10: Consolidated Financial Statements by defining an "investment entity" and requiring that, with limited exceptions, the entity not consolidate its subsidiaries. The unconsolidated subsidiaries must also be measured at fair value through profit or loss in accordance with AASB 9: Financial Instruments. The amendments also introduce additional disclosure requirements. As the company does not meet the definition of an investment entity, this Standard does not impact the company's financial statements.

- AASB 2014-1 Amendments to Australian Accounting

Parts A-C of this Standard make editorial corrections to various Standards, provide for accounting treatment of employee contributions to a defined benefit plan and delete references to AASB 1031: Materiality in various AASB Standards. This Standard does not impact the company's financial statements.

- Interpretation 21: Levies

This Interpretation clarifies the circumstances under which a liability to pay a levy imposed by a government should be recognised, and whether that liability should be recognised in full at a specific date or progressively over a period of time. This Interpretation does not impact the company's financial statements.

Note 2: Revenue and Other Income

	2015	2014
	$	$
Operating Activities		
- Franchise margin income	753,081	805,385
Non-Operating Activities		
- Interest received	24,371	28,087
- Dividends received	7,920	7,440
- Other income	-	217
	32,291	35,744
Total Revenue	785,372	841,129

Note 3: Profit before Income Tax

Expenses

Depreciation/Amortisation	18,465	19,930
Remuneration of auditor		
- Auditing or reviewing the financial report	14,500	15,000
- Taxation services	750	750
Total Auditor Remuneration	15,250	15,750

Note 4: Income Tax Expense

(a) The components of tax expense comprise:

- Current tax	(8,887)	(2,494)
- Deferred tax	-	-
	(8,887)	(2,494)

	2015	**2014**
	$	**$**

Note 4: Income Tax Expense (cont'd)

(b) The prima facie tax on (profit)/loss from ordinary activities before income tax is reconciled to the income tax as follows:

Prima facie tax payable / (receivable) on profit / loss from ordinary activities before income tax at 30% (2014: 30%)	(8,384)	7,394
Add:		
Tax effect of:		
- non-deductible expenses	2,891	(6,699)
Less:		
Tax effect of:		
- Other allowable items	(3,394)	3,189
Income tax (expense)/credit attributable to the company	(8,887)	2,494

Note 5: Dividends

A dividend was not declared in the 2015 financial year (2014: 8.0 cent fully franked per ordinary share paid on the 22 September 2014)	47,043	46,574
Balance of franking account at year-end	230,699	259,297

Note 6: Interests of Key Management Personnel (KMP)

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the company's key management personnel for the year ended 30 June 2015.

Option Holdings

No options over ordinary shares in the company are held by any Director of the company or other key management personnel, including their personally related parties.

Shareholdings

Number of ordinary shares in Gosnells Financial Services Limited held by key management personnel of the company during the financial year is as follows:

Directors	Balance at Beginning of Year	Purchased During the Period	Other Changes	Balance at End of Year
Michelle Lennox	-	-	-	-
Brian Antunovich	-	-	-	-
Raymond Norvill	-	-	-	-
Norman Barratt	-	-	-	-
Raymond Smith	-	-	-	-
Albert Kalajzich	-	-	-	-
Christine French	-	-	-	-
Iggy Moro	-	-	-	-
Leon Glucina	-	-	-	-
Robert Gibbons	-	-	-	-
TOTAL	**-**	**-**	**-**	**-**

Note 7: Cash and Cash Equivalents

	2015 $	2014 $
Cash on hand	-	-
Cash at Bank	56,230	121,860
Short-term bank deposits	748,539	713,168
	804,769	835,028

Note 8: Trade and Other Receivables

	2015 $	2014 $
CURRENT		
Trade debtors	55,479	55,413
Accrued Income	5,049	16,120
	60,528	74,534

a. Provision for Impairment of Receivables

Current trade and term receivables are non-interest bearing loans and generally on 30-day terms. Non-current trade and term receivables are assessed for recoverability based on the underlying terms of the contract. A provision for impairment is recognised when there is objective evidence that individual trade or term receivable is impaired. These amounts have been included in the other expenses item.

There is no provision for impairment of receivables.

Note 9: Financial assets

CURRENT		
Available-for-sale financial assets		
Listed investments, at fair value:		
- Shares held in listed companies	147,120	146,400
	147,120	146,400

Note 10: Other Assets

CURRENT		
Prepayments	1,703	5,427
	1,703	5,427

Note 11: Property, Plant and Equipment

PLANT AND EQUIPMENT		
Building improvements – at cost	28,319	28,319
Less: accumulated depreciation	(28,319)	(28,319)
	-	-
Furniture and fixtures – at cost	228,809	228,303
Less: accumulated depreciation	(210,513)	(205,577)
	18,295	22,726

	2015	**2014**
	$	**$**

Note 11: Property, Plant and Equipment (Cont'd)

Office Equipment – at cost	10,044	10,044
Less: accumulated depreciation	(7,432)	(3,904)
	2,612	6,140
Total Property, Plant and Equipment	20,907	28,866

a. Movements in Carrying Amounts

Movements in the carrying amounts for property, plant and equipment between the beginning and the end of the current financial year:

	Building Improvements $	Leasehold Improvements $	Furniture & Fixtures $	Office Equipment $	Total $
Carrying amount at 1 July 2013	-	9,667	28,192	4,592	42,450
Additions	-	-	-	5,236	5,236
Disposals	-	(8,010)	-	(880)	(8,890)
Depreciation Expense	-	(1,657)	(5,466)	(2,808)	(9,931)
Carrying amount at 30 June 2014	-	-	22,726	6,140	28,866
Additions	-	-	505	-	505
Disposals	-	-	-	-	-
Depreciation Expense	-	-	(4,936)	(3,528)	(8,464)
Carrying amount at 30 June 2015	**-**	**-**	**18,295**	**2,612**	**20,907**

	2015 $	2014 $
Note 12: Intangible Assets		
NON-CURRENT		
Franchise fees – at cost	50,000	50,000
Less: accumulated amortisation	(34,167)	(24,167)
Net carrying value	15,833	25,833

Pursuant to a five year franchise agreement with Bendigo and Adelaide Bank Limited, the company operates a branch of Bendigo and Adelaide Bank Limited, providing a core range of banking products and services.

Note 13: Trade and Other Payables

	2015 $	2014 $
CURRENT		
Unsecured liabilities:		
Trade creditors and accruals	32,041	28,611
GST Payable	16,379	17,034
Dividends payable	13,662	60,705
	62,082	106,350

Note 14: Provisions

	2015 $	2014 $
CURRENT		
Employee benefits:		
Provision for annual leave	27,079	37,266
Provision for long service leave	24,434	21,969
	51,513	59,235
Number of employees at year-end	**8**	**8**
NON-CURRENT		
Employee benefits:		
Provision for long service leave	12,389	5,776
	12,389	5,776

	2015 $	2014 $

Note 15: Tax

CURRENT

	2015 $	2014 $
Current tax asset	-	8,094
	-	8,094
Current tax liability	-	-
	-	-

NON-CURRENT

a. Deferred Tax Assets

Deferred tax assets comprise:

	2015 $	2014 $
Provisions	19,171	19,503
Tax loss	7,491	1,928
Other	374	40
	27,036	21,471

Gross Movements:

The overall movement in the deferred tax asset account is as follows:

	2015 $	2014 $
Opening balance	21,471	17,255
Charge to income	2	2,288
Tax loss	5,563	- 1,928
Closing balance	27,036	21,471

The movement in deferred tax asset for each temporary difference during the year as follows:

	2015 $	2014 $
Provisions		
Opening balance	21,431	17,215
Charge to income	(332)	2,288
Tax loss	5,563	1,928
Prior year adjustment	-	-
Closing balance	26,662	21,431
Other		
Opening balance	40	40
Charge to income	334	-
Closing balance	374	40

	2015 $	2014 $
b. Deferred Tax Liabilities		
Deferred tax liabilities comprise:		
Accrued interest income	1,516	4,836
Unrealised gain on financial assets	15,623	15,408
	17,139	20,244
Gross Movements:		
The overall movement in the deferred tax liabilities account is as follows:		
Opening balance	20,244	10,855
Charge to income	(3,105)	9,390
Closing balance	17,139	20,244
The movement in deferred tax liability for each temporary difference during the year as follows:		
Accrued Income		
Opening balance	4,836	3,115
Charge to income	(3,320)	1,721
Closing balance	1,516	4,836
Unrealised Gain on Financial Assets		
Opening balance	15,408	7,740
Charge to income	215	7,668
Closing balance	15,623	15,408

Note 16: Issued Capital

	2015 $	2014 $
592,180 (2014: 592,180) fully paid ordinary shares	592,180	592,180
Cost of raising equity	(3,780)	(3,780)
	588,400	588,400

	2015 $	2014 $
Note 17: Cash Flow Information		
Profit after Income Tax		
Profit/(loss) after income tax	(19,779)	1,579
Add/deduct: Non-cash flows in profit:		
Depreciation and amortisation	18,465	19,930
Dividends received	(7,920)	(7,440)
Loss on Sale of plant and equipment	-	8,436
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	14,007	3,499
(Increase)/decrease in prepayments	3,724	3,600
(Increase)/decrease in current tax assets	8,094	21,715
(Increase)/decrease in deferred tax assets	(5,566)	(4,216)
Increase/(decrease) in trade payables and accruals	3,430	3,194
Increase/(decrease) in provisions for employee entitlements	(1,109)	7,626
Increase/(decrease) in deferred tax liabilities	(3,321)	1,721
Increase/(decrease) in GST payable	(655)	(11,237)
	9,370	43,174

Note 18: Capital and Leasing Commitments

Non-cancellable operating lease commitment contracted for not capitalised in the financial statements.

	2015	2014
Payable		
Not longer than one year	72,275	70,825
Longer than one year but not longer than five years	72,275	141,651
	144,551	212,476

The leases consist of the rental of property at 2227 Albany Highway, Gosnells WA 6110.

The lease for the property at 2227 Albany Highway has been renewed and is due to expire its first 5 year contract on 15 October 2016 after which the second 5 year option is expected to be exercised.

Note 19: Events after the Reporting Period

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 except for the information disclosed in the Directors' report.

Note 20: Segment Reporting

The company operates in the financial services sector as a branch of Bendigo Bank Limited in Western Australia.

Note 21: Related Party Transactions

There were no related party transactions during the year.

Note 22: Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, loans, bills and leases. The company does not engage in transaction expressed in foreign currencies and is therefore not subject to foreign currency risk. Financial Risk Management is carried out by the Board of Directors.

The Directors' overall risk management strategy seeks to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

a. Financial Risk Management Policies

Risk management policies are approved and reviewed by the Board of Directors on a regular basis. These include the credit risk policies and future cash flow requirements. The main purpose of non-derivative financial instruments is to raise finance for Company operations.

The Company does not have any derivative instruments at 30 June 2015.

b. Specific Financial Risk Exposures and Management

The main risks the company is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

Interest Rate Risk

Interest rate risk is managed with a mixture of fixed and floating rate debt.

Liquidity Risk

The Company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

Note 22: Financial Risk Management (continued)

Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

There are no material amounts of collateral held as security at 30 June 2015.

The Company does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Company.

Credit risk is managed and reviewed regularly by the Board of Directors. It arises from exposures to customers as well as through deposits with financial institutions.

The Board of Directors monitors credit risk by actively assessing the rating quality and liquidity of counter parties:

- all potential customers are rated for credit worthiness taking into account their size, market position and financial standing; and

- customers that do not meet the company's strict credit policies may only purchase in cash or using recognised credit cards.

The trade receivables balances at 30 June 2015 and 30 June 2014 do not include any counterparties with external credit ratings. Customers are assessed for credit worthiness using the criteria detailed above.

c. Financial Instrument Composition and Maturity Analysis

The company held the following financial instruments at balance date:

	Carrying Value		**Fair Value**	
	2015	**2014**	**2015**	**2014**
	$	**$**	**$**	**$**
FINANCIAL ASSETS				
Cash and Cash Equivalents	804,769	835,028	804,769	835,028
Financial assets	95,041	95,041	147,120	146,400
Trade and other receivables	60,527	74,534	60,527	74,534
Other current assets	1,703	5,427	1,703	5,427
	962,040	1,010,030	1,014,119	1,061,389
FINANCIAL LIABILITIES				
Trade and other payables	62,082	106,350	62,082	106,350
	62,082	**106,350**	**62,082**	**106,350**

Note 22: Financial Risk Management (continued)

Fair value is determined as follows:

Cash and Cash Equivalents, Receivables, Payables & Borrowings – estimated to the carrying value which approximates net market value.

(a) Cash and Cash Equivalents

The company's objective is to maximize its return on cash and cash equivalent instruments whilst maintaining an adequate level of liquidity and preserving Capital.

Cash and investments are subjected to interest rate risk – the risk that movements in interest rates affect returns.

The company manages its risks by diversifying its portfolio and only purchasing cash and other investments with high credit ratings or capital guarantees.

Sensitivity Analysis

The following table illustrates sensitivities to the company's exposures to changes in interest rates and equity prices. The table indicates the impact on how the profit and equity values reported at balance date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

	Profit $	Equity $
Year ended 30 June 2015		
+/- 1% in interest rates	+/- 8,048	+/- 8,048
Year ended 30 June 2014		
+/- 1% in interest rates	+/- 8,350	+/- 8,350

(b) Receivables

The company's major risk associated with the receivables is credit risk – the risk that the debts may not be repaid. The company manages this risk by monitoring outstanding debt and employing appropriate debt recovery procedures.

The company does not have any material credit risk exposure to any single receivable or group of receivables under financial investments entered into by the company.

(c) Payables

Payables are subjected to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and where they fall due. The Directors manage this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer and has a loan facility with the bank.

Note 22: Financial Risk Management (continued)

The table below reflects the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the statement of financial position.

	Weighted Average Effective Interest Rate		Floating Interest Rate		Non-interest Bearing		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
	%	%	$	$	$	$	$	$
Financial Assets:								
Cash and Cash at bank	0.09	0.08	56,230	121,860	-	-	56,230	121,860
Short-term deposits	3.39	3.12	748,538	713,168	-	-	748,538	713,168
Trade and other receivables	-	-	-	-	60,527	74,534	60,527	74,534
Total Financial Assets	-	-	804,768	835,028	60,527	74,534	865,295	909,562
Financial Liabilities:								
Trade and other payables	-	-	-	-	62,082	106,350	62,082	106,350
Total Financial Liabilities	-	-	-	-	62,082	106,350	62,082	106,350

Note 23: FAIR VALUE MEASUREMENTS

The company measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition:

- Financial assets at fair value through profit or loss;

The company does not measure any other assets and liabilities at fair value on a non-recurring basis.

(a) Fair Value Hierarchy

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

Level 1 - Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 - Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

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

Market approach - Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

Income approach - Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

Cost approach - Valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Note 23: FAIR VALUE MEASUREMENTS (Cont'd)

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

The following table provides the fair values of the company's assets measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

Recurring Fair Value Measurements

		30 June 2015			
	Note	**Level 1**	**Level 2**	**Level 3**	**Total**
		$	$	$	$
Financial Assets					
Financial assets at fair value though profit or loss:					
- shares in listed corporations	9	147,120	-	-	147,120
Total financial assets recognised at fair value		147,120	-	-	147,120

Note 23: FAIR VALUE MEASUREMENTS (Cont'd)

Recurring Fair Value Measurements

		30 June 2014			
	Note	**Level 1**	**Level 2**	**Level 3**	**Total**
		$	$	$	$
Financial Assets					
Financial assets at fair value though profit or loss:					
- shares in listed corporations	9	146,400	-	-	146,400
Total financial assets recognised at fair value		146,400	-	-	146,400

(b) Transfers Policy

The policy of the company is to recognise transfers into and transfers out of the fair value hierarchy levels as at the end of the reporting period. There were no transfers between level 1 and level 2 for assets measured at fair value on a recurring basis during the reporting period (2014: no transfers).

(c) Disclosed Fair Value Measurements

The following assets and liabilities are not measured at fair value in the statement of financial position, but their fair values are discloses in the notes:
- Accounts receivable and other debtors;
- Accounts payable and other liabilities;

Note 23: FAIR VALUE MEASUREMENTS (Cont'd)

The following table provides the level of fair value hierarchy within which the disclosed fair value measurements are categorised in their entirety and a description of the valuation technique(s) and inputs used:

Description	Note	Fair Value Hierarchy Level	Valuation Technique(s)	Inputs Used
Assets				
Accounts receivable and other assets	8, 10	3	Income approach using discounted cash flow methodology	Market interest rates for similar assets

Liabilities				
Accounts payable and other liabilities	13	3	Income approach using discounted cash flow methodology	Market interest rates for similar liabilities

There has been no change in the valuation technique(s) used to calculate the fair values disclosed in the notes to the financial statements.

Note 24: Contingent Liabilities and Contingent Assets

There were no contingent liabilities or contingent assets at the reporting date.

Note 25: Company Details

The registered office and principal place of business of the company is:

2227 Albany Highway
Gosnells WA 6110