



Annual Report 2016

Bellarine Peninsula
Community Branch Limited

ABN 33 089 107 657

Portarlington **Community Bank®** Branch
Drysdale **Community Bank®** Branch

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Chairperson's report

For year ending 30 June 2016



It is with great pride and much pleasure that I present the Chairperson's report for the 17th Bellarine Peninsula Community Branch Limited Annual Report.

Financial

At the end of the 2015/16 financial year, the company held deposits of \$172 million and lending of \$92 million, a total of \$264 million, and an increase of \$17 million. Given the difficult conditions in the financial market this is a pleasing result. We have also been able to show profit after tax of just over \$100,000 as can be seen from our financial report and are pleased to recommend to shareholders a 5 cent dividend this year.

Bendigo and Adelaide Bank

We continue our good relationship with the Bendigo and Adelaide Bank and the staff at our regional office. We welcomed our new Senior Manager Strategy and Performance, Melissa Pearce and our Senior Manager Community Relationships, Kevin Hannam. Bendigo Bank has undertaken a significant internal structural change which now sees the new role of Senior Manager Community Relationships which will provide more support and drive to us as a **Community Bank**[®] branch. We were very lucky to have had Sue Tansy act as our Regional Manager for most of the year and thank her for her support and encouragement.

Changes to financial model

A core principle of the **Community Bank**[®] model is a 50/50 share of margin earned on core banking products. To better reflect this core principal, a new Revenue Share model was introduced from 1 July 2016.

Bendigo and Adelaide Bank Limited ("BEN") has adopted a Funds Transfer Pricing (FTP) model for **Community Bank**[®] Revenue Share, effective 1 July 2016. BEN applies its FTP methodology to regulatory reporting, performance management and revenue share. The FTP model:

- is a method used to measure how much each account or product is contributing to overall profitability, given a current cost of marginal funding.
- gives the BEN Group a better understanding of the net interest margin component of overall profitability.
- assigns a FTP rate based on the repricing characteristics and behavioural duration of products.

The BEN FTP revenue share sources **Community Bank**[®] branch product data and then applies BENs FTP rates to calculate revenue share for each **Community Bank**[®] branch by core banking product i.e. loans and deposits. The BEN FTP revenue share is reported to each **Community Bank**[®] company on a monthly basis.

The FTP methodology is reviewed annually with changes approved by BEN's Asset & Liability Management Committee (ALMAC). BEN's Board Risk Committee approves changes to the FTP Policy.

Subject to the size of the impact of the changes to a **Community Bank**[®] company's revenue share and a calculated baseline revenue, transitional support arrangements have been made by BEN for those companies adversely affected by these changes to the financial model, for a maximum period of up to three years. The purpose of this transitional support is to provide the **Community Bank**[®] company with a revenue baseline while it grows and diversifies its business to increase revenue.

Chairperson's report (continued)

Community

Again, we are thrilled to have been able to make grants to our local community organisations and support local community groups through sponsorship programmes. Over the years we have contributed over \$1.4 million into the local community.

This year we have partnered with the City of Greater Geelong to provide an L2P car to enable learner drivers to undertake their required driving hours on the Bellarine. Given our location this is a much needed asset to our young people and hopefully will assist many local teenagers in getting their driver's licence.

With the ongoing support of our shareholders and our customers we will continue to support our local community.

Board

It has been my honour to take over the role of Chairperson earlier this year. Our past Chairman, Russell Enders, resigned from the role and from the Board after 15 years of service to the company. Russell was instrumental in the Steering Committee to establish the Drysdale **Community Bank**[®] Branch and capably and enthusiastically steered the company in his time at the helm. On behalf of the Directors and staff of the company I express our extreme gratitude to Russell for his tireless efforts and passionate involvement.

We also say goodbye to two other long standing Directors, Pam Evans and Janina Randone, both of whom have served the company for many years, Pam since 2010 and Janina since 2008. We will miss their valuable input and ideas, but look forward to their continued support of the company into the future.

We also welcome two new Directors to our Board, Robert Barker and Sheryl Follett. Both Robert and Sheryl are local community members who bring a wealth of experience and passion to the Board.

Staff

Across our two branches we are proud to employ 14 people. Our staff are our major asset and we thank them all for their ongoing commitment to our values. This year we also said goodbye to our Senior Manager Mark O'Dowd. Although Mark had only been with us for a short time he was a valuable member of our staff and the driving force behind a number of initiatives, most notably our L2P car. Mark is still within the Bendigo and Adelaide Bank family, taking up the role of Senior Manager Community Relationships in the Ballarat region.

Shareholders

We must always remember that our very first supporters were, and continue to be, our shareholders. Without the initial support of our shareholders now 17 years ago we would not have a **Community Bank**[®] branch in Portarlington or later in Drysdale. Our efforts within the community are as a direct result of the trust shown in the company and the Board by our shareholders.



Justine Finlay
Chairperson

Senior Manager's report

For year ending 30 June 2016



Banking is our business, community is our purpose.

As a result of the strong year we have had in our banking business, the Bellarine Peninsula Community Branch Limited has been able to deliver over \$120,000 of benefit, through sponsorships, donations and grants, to more than 80 community organisations across the Northern Bellarine. The Portarlington and Drysdale **Community Bank**[®] branches have worked tirelessly to provide banking products and services for our customers whilst considering the bigger picture. We should think about what we can do beyond banking to help our customers and strengthen the communities they live in.

Beyond banking, we helped strengthen the communities our customers live in through our contributions to:

- Portarlington Mussel Festival
- National Celtic Folk Festival
- Clubs that Care program in conjunction with the Portarlington Demons Football & Netball club
- Drysdale Hawks Football & Netball club
- Festival of Glass
- Easter Art Show
- Family Fun Day at the Potato Shed
- Drysdale Cricket Club
- A boxed lunch for those who attended the Spirit of Christmas at Parks Hall.

One of our highlights during the year was our commitment, on behalf of our customers and shareholders, to the community based L2P (Learner 2 Probation) driving program via the donation of a new Holden Barina. This investment in the young people of the Northern Bellarine aims to build their confidence and capability on the way to achieving the 120 hours of driving experience required prior to obtaining their driver's licence. We collaborated with the City of Greater Geelong, TAC, CGU Insurance, Portarlington Golf Club and Winter & Taylor Holden to make this possible.

In April this year we were extremely proud to be recognised by the broader community for our extensive support of the regions youth when the Portarlington & Drysdale **Community Bank**[®] branches were announced as the winners of the 'Corporate Award' at the 'Geelong Youth Awards'. We were nominated for our youth achievements by the City of Greater Geelong. The Corporate category recognises businesses that highlight youth development as a core component of their business. Involving young people in business is important to ensure their sense of belonging and engagement in the community. In addition to the L2P driving program our support of youth has extended to:

- Drysdale & Portarlington Toy Libraries
- Bellarine Secondary College's Youthfest
- Junior Tennis Tournament at the Drysdale Tennis Club
- Kids Matter program at the Drysdale Primary School
- Springdale Neighbourhood Centre's Child Care program
- Purchase of books for the Clifton Springs Primary School
- A rescue vessel for the junior sailing program at St Leonards Yacht Club & Motor Squadron

Senior Manager's report (continued)

- Fresh Fruit Friday at the Drysdale Primary School
- Health & Wellbeing program at the Portarlington Primary School
- Kidsfest at the St Leonards Primary School
- St Leonards Junior Cricket Club
- Bellarine Peninsula Little Athletics to purchase new equipment for their budding Olympians.

We are continually conscious of the changes to the external environment, whilst our business needs to adapt and be flexible to meet the ongoing challenges around Growth, Margin and Market pressure. We need to strengthen our internal and external partnerships to realise our potential in achieving greater, sustainable outcomes for the community. It's about "BEing bigger and better for our customers, partners, communities and our most important resource to get the job done...our people".

Sincere thanks to the staff at both of our branches for their continued commitment to the service of our community, customers and shareholders. Thanks also to our Board who volunteer their time and effort to provide greater outcomes for our community.

Our partner, Bendigo Bank, is the fifth largest bank in Australia. Banking is an everyday function for every single person in the community. The difference with the **Community Bank**[®] model is that every time people bank with their local **Community Bank**[®] branch the bottom line increases and as such, community contributions increase as well. Together we are building a stronger community.



Mark O'Dowd
Senior Manager

Drysdale Manager's report

For year ending 30 June 2016



I am pleased to report that as at the 30 June 2016 the Drysdale **Community Bank**[®] Branch holdings were more than \$134 million with 2,934 customers and 5,196 accounts.

Our business growth target for this financial year was \$10 million, and although we've had a continued positive approach we fell short and achieved growth of \$7.208 million. Taking into account the current economic climate, three major banks in the town, low interest rates being paid to depositors, new borrowings at a low and existing borrowers paying down debt at an accelerated rate, this was a good result.

The amount of business held on our books as at 30 June 2016 (good mix of business) is as follows:

Deposits	\$ 73.314 million
Lending	\$ 61.000 million
Total	\$134.314 million

My thanks go to our customers as without their banking business the branch would not generate the profits that continue to be put back into the local community to support our clubs, not for profit organisations and the many events in the area.

The community focus of the branch and the positive benefit it brings to the local community are evident. Some of the major events that we continue to sponsor are:

- Festival of Glass
- Easter Art Show
- Fresh Fruit Friday – Drysdale Primary School
- Youth – Art Mentorship

Spreading the word still remains a key phrase. Our existing customers have been instrumental in referring new business to our branch, and it is gratifying to see the confidence of our customers in helping make our branch successful.

I would personally like to commend the Drysdale **Community Bank**[®] Branch staff; Wendy, Tonia, Heather, Yvonne, Bea, Liz and Steve for their work and results over the past 12 months. I thank them for their continued work ethic, professionalism and commitment to the service of our customers and the community. I would like to welcome Cameron Place (Customer Relationship Manager) who came to us from Portarlinton **Community Bank**[®] Branch, Tegan Paul (Customer Service Officer) who came from Leopold **Community Bank**[®] Branch and also I wish Liz all the best in her new position at our Portarlinton **Community Bank**[®] Branch.

To our shareholders, I thank you for your support. Without you this could not happen. Your confidence in this business model and the difference we are making in the local community is what the **Community Bank**[®] model is all about. Please consider if you are not currently banking with either the Portarlinton or Drysdale **Community Bank**[®] branches, please visit either branch, or speak to either Shae, myself or one of our personable staff about all your financial service/banking needs.

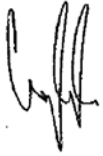
I would also like to thank the Board for the time, effort and support that they have given all of us over the past 12 months. Your commitment and encouragement is something that the branches are very lucky to have!

Drysdale Manager's report (continued)

Once again I ask that you all continue to play your part in the growth of our branch by spreading the word about the very personal and professional banking service provided by your **Community Bank®** branch. As our business grows, so will our community support.

Together we are building a stronger community.

The Drysdale **Community Bank®** Branch is **Bigger** than a bank.

A handwritten signature in black ink, appearing to read 'Craig Taylor', with a stylized, cursive script.

Craig Taylor
Branch Manager

Directors' report

For the financial year ended 30 June 2016

Your Directors submit the financial report of the company for the financial year ended 30 June 2016.

Directors

The following persons held office as Directors at any time during or since the end of the financial year:

Russell Enders	Paul Jones
Stephen Wight	Geoffrey Webster
Sandra Baldwin	Janina Randone
Pam Evans	Kerry Trewin
Justine Finlay	

Company Secretary

The Company Secretary is Sandra Baldwin.

Principle activities and significant changes in nature of activities

The principle activities of the company during the course of the financial year were facilitating the **Community Bank®** services under management rights to operate two franchised branches of Bendigo and Adelaide Bank Limited.

There were no significant changes in the nature of principal activities during the financial year.

Operating result and review of operations

The net result of the company for the year after providing for income tax was a profit of \$103,903.

There was no significant change in operations during the period with the asset base of both branches continuing to grow and thereby improving profitability.

Financial position

The company's net assets have increased to \$1,086,104 at the end of the financial year compared to \$1,046,143 for the previous year. The company's current asset ratio is 4.76, indicating a sound financial position.

Significant changes in state of affairs

There were no significant changes in the company's State of Affairs during the year.

Dividends

Dividends paid or declared for payment during the financial year are as follows:

- Ordinary dividend of \$0.04 cents per share paid on 1 December 2015.

Matters subsequent to the end of the financial year

At the date of this report no matter or circumstance has arisen since the end of the financial year that has significantly affected or may significantly affect the operations of the company; the results of those operations; or the State of Affairs of the company in future years.

Directors' report (continued)

Future development

The Directors are not aware of any specific development likely to have a significant effect on the operations of the company or the expected results of those operations.

Environmental regulations

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Director and Auditor indemnification

The company has indemnified all Directors and Auditors in respect of liabilities to other persons (other than the company or related body corporate) that may arise from their position as Directors of the company except where the liability arises out of conduct involving lack of good faith.

Disclosure of the nature of the liability and the amount of the premium is prohibited by the confidentiality clause of the contract of insurance.

Share options

No options to shares in the company have been granted during the financial year and there were no options outstanding at the date of this report.

Proceedings

No person had 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.

Remuneration report

The Board is responsible for the determination of remuneration packages and policies applicable to the Manager of each branch and all the staff. The Managers are invited to the Board meeting as required to discuss performance and remuneration packages.

The Managers are paid a base salary, which is between \$70,000 and \$95,000 plus superannuation. In addition each Manager receives a bonus if the company exceeds the performance criteria established by the Board.

No Directors' remuneration has been paid as the positions are held on a voluntary basis.

Sandra Baldwin received payment for services performed in a role as 'Executive Officer' including, but not limited to, community and public relations, corporate affairs administration, accounts liaison and other Company Secretarial duties. During the 2016 financial year Sandra was paid \$9,925.

The Bellarine Peninsula Community Branch Limited has accepted the **Community Bank**® Directors' Privileges package. The package is available to all Directors who can elect to avail themselves of the benefits based on their personal banking with the Bellarine Peninsula Community Branch Limited. There is no requirement to own BEN shares and there is no qualification period to qualify to utilise the benefits. The package mirrors the benefits currently available to Bendigo and Adelaide Bank shareholders.

Directors' report (continued)



Information on Directors

The Director responsible in office at the date of this report together with their qualifications, experience, special responsibilities and shareholdings are:

Stephen J. Wight

Chartered Accountant

Registered Company Auditor

Involvement in public and not for profit organisations

Geelong resident

Shares Held: Nil

Sandra Baldwin

Company Secretary

Member of the Steering Committee of the Drysdale **Community Bank**® Branch

Previous Business Owner in local area

Clifton Springs resident

Shares Held: 500

Paul Jones

Trade Teacher

Involved in community organisations

Member of the Steering committee of the Drysdale **Community Bank**® Branch for the Bellarine Peninsula Community

Branch Limited

Drysdale resident

Shares Held: 2,500

Geoffrey Webster

Salesman

Member of the Steering committee of the Drysdale **Community Bank**® Branch for the Bellarine Peninsula Community

Branch Limited

Drysdale resident

Shares Held: 1,000

Directors' report (continued)

Information on Directors (continued)

Janina Randone

Self funded retiree and farmer

Involved in community organisations.

Member of the Steering committee of the Drysdale **Community Bank**[®] Branch for the Bellarine Peninsula Community Branch Limited

Drysdale resident

Shares Held: 2,000

Pam Evans

Portarlington Resident

Retired District Leader and

Involved with Portarlington Girl Guides for over 50 years

Shares Held – Nil

Kerry Trewin

Practice Manager

Member of Portarlington Business Association

Involved in community organisations

Portarlington Resident

Shares Held – Nil

Justine Finlay

Solicitor and notary public

Board member of Vicwest Community Enterprise Ltd

Involved in local not for profit and sporting organisations

Ocean Grove Resident

Meeting attendance July 2015 to June 2016

2015 - 2016 Director	27 July 2015	24 August 2015	28 September 2015	26 October 2015	23 November 2015	1 February 2015	22 February 2015	21 March 2015	2 May 2015	30 May 2015	27 June 2015
Russell Enders	A	P	P	L	L	A	A	A	R	R	R
Paul Jones	P	P	A	P	P	P	P	P	A	P	L
Stephen Wight	A	P	P	A	P	P	P	P	P	A	P
Sandra Baldwin	P	P	P	P	P	P	P	P	A	P	P
Geoff Webster	A	P	P	P	P	P	A	P	P	P	P
Pam Evans	P	P	P	P	P	P	P	A	P	P	P
Janina Randone	P	P	P	P	P	P	A	P	A	L	L
Kerry Trewin	P	P	P	P	P	P	P	P	P	P	P
Justine Finlay	P	P	A	P	P	P	P	A	P	P	P

Key to Symbols: P – Present, A – Apology, L – Leave, R – Retired

Directors' report (continued)

Auditor's Independence Declaration

A copy of the Auditor's independence declaration as required under section 307C of the Corporations Act 2001 is attached.

Signed in accordance with a resolution of the Board of Directors

A handwritten signature in black ink, appearing to read 'Stephen Wight', written in a cursive style.

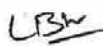
Stephen Wight
Director

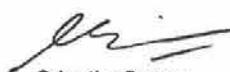
Auditor's independence declaration

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF BELLARINE PENINSULA COMMUNITY BRANCH LTD

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2016 there have been:

- (i) no contraventions of the auditor's 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.


LBW CHARTERED ACCOUNTANTS


Sripathy Sarma

Principal

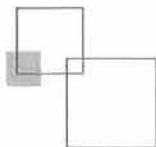
Dated this

5th

day of

September

2016



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Financial statements

Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2016

	Notes	2016 \$	2015 \$
Revenue from ordinary activities			
Revenue	2	1,624,015	1,540,017
Expenses from ordinary activities			
Employee benefits		906,837	888,247
Information technology expenses		75,562	78,062
Depreciation and amortisation	3	51,490	49,056
Property expenses		122,632	109,431
Donations and sponsorship		95,686	83,399
Professional fees		44,340	42,260
Insurance		23,328	22,642
Administration expenses		132,388	176,989
Other expenses from ordinary activities		39,803	30,075
Total expenses from ordinary activities		1,492,066	1,480,161
Net result before income tax		131,949	59,856
Income tax expense	4	28,046	11,813
Net result after income tax		103,903	48,043
Comprehensive result for the year		103,903	48,043
Earnings per share (cents per share)			
Basic earnings per share	24	0.065	0.030
Diluted earnings per share	24	0.065	0.030

The accompanying notes form part of these financial statements.

Financial statements (continued)

Statement of Financial Position as at 30 June 2016

	Notes	2016 \$	2015 \$
Assets			
Current assets			
Cash and cash equivalents	5	572,129	474,639
Receivables	6	119,381	92,805
Total current assets		691,510	567,444
Non-current assets			
Other financial assets	7	19,200	19,200
Deferred tax assets	8	25,263	35,651
Property, plant, equipment	9	339,501	343,658
Intangible assets	10	175,598	202,934
Total non-current assets		559,562	601,443
Total assets		1,251,072	1,168,887
Liabilities			
Current liabilities			
Payables	11	49,369	75,959
Borrowings	12	4,497	-
Short-term provisions	13	80,983	69,696
Current tax liabilities	14	10,384	(32,189)
Total current liabilities		145,233	113,466
Non-current liabilities			
Borrowings	12	10,869	-
Long-term provisions	13	8,866	9,278
Total non-current liabilities		19,735	9,278
Total liabilities		164,968	122,744
Net assets		1,086,104	1,046,143
Equity			
Issued capital	15	787,911	787,911
Financial assets reserve		(20,800)	(20,800)
Retained earnings		318,993	279,032
Total equity		1,086,104	1,046,143

The accompanying notes form part of these financial statements.

Financial statements (continued)

Statement of Changes in Equity for the year ended 30 June 2016

	Note	Issued capital \$	Financial assets reserve \$	Retained earnings \$	Total \$
Balance at 1 July 2014		787,911	(20,800)	342,889	1,110,000
Comprehensive income					
Net result for the year		-	-	48,043	48,043
Other comprehensive income for the year		-	-	-	-
Transactions with owners in their capacity as owners					
Dividends recognised for the year	25	-	-	(111,900)	(111,900)
Balance at 30 June 2015		787,911	(20,800)	279,032	1,046,143
Comprehensive income					
Net result for the year		-	-	103,903	103,903
Other comprehensive income for the year		-	-	-	-
Transactions with owners in their capacity as owners					
Dividends recognised for the year	25	-	-	(63,943)	(63,943)
Balance at 30 June 2016		787,911	(20,800)	318,993	1,086,104

The accompanying notes form part of these financial statements.

Financial statements (continued)

Cash Flow Statement for the year ended 30 June 2016

	Notes	2016 \$	2015 \$
Cash flows from operating activities			
Receipts			
Receipts from customers		1,586,228	1,552,684
Interest		11,211	10,665
Payments			
Employee benefits		(921,085)	(917,563)
Income tax paid		24,915	(28,244)
Other		(535,206)	(541,386)
Net cash inflows from operating activities	16	166,063	76,156
Cash flows from investing activities			
Purchase of plant & equipment		(19,997)	(2,318)
Proceeds from sale of plant & equipment		-	-
Purchase of intangible assets		(0)	-
Net cash inflows/(outflows) from investing activities		(19,997)	(2,318)
Cash flows from financing activities			
Proceeds from borrowings		15,366	-
Dividends paid	25	(63,943)	(111,900)
Net cash inflows/(outflows) from financing activities		(48,576)	(111,900)
Net increase/(decrease) in cash held		97,489	(38,062)
Cash at 1 july		474,639	512,701
Cash at 30 june	5	572,128	474,639

The accompanying notes form part of these financial statements.

Notes to the financial statements

For year ended 30 June 2016

Note 1. Statement of significant accounting policies

Basis of preparation

Bellarine Peninsula Community Branch Limited ('the company') is domiciled in Australia. The financial statements for the year ending 30 June 2016 are presented in Australian dollars. The company was incorporated in Australia and the principal operations involve providing **Community Bank®** services.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy; described as follows, based on the lowest level of input that is significant to the fair value measurement as a whole, in accordance with AASB 13 Fair Value Measurement applicable from 1 January 2013:

Level 1 - quoted market prices in active markets for identical assets or liabilities

Level 2 - valuation techniques for which the lowest level input that is significant to the fair value measurement is either directly or indirectly observable

Level 3 - valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

No material adjustments to the carrying amounts of any of the company's assets or liabilities were required as a consequence of applying AASB 13. However, AASB 13 required enhanced disclosures for both assets and liabilities measured at fair value which are disclosed in the notes to the financial statements.

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

The financial statements were authorised for issue by the Directors on the 5th September, 2016

Statement of compliance

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

Significant accounting policies

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Rounding

All amounts shown in the Financial Statements are expressed to the nearest dollar.

Notes to the financial statements (continued)

Note 1. Statement of significant accounting policies (continued)

Significant accounting policies (continued)

(b) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(c) Receivables

Trade debtors are carried at nominal amounts due and are due for settlement within 30 days from the date of recognition. Collectability of debts is reviewed on an ongoing basis. The Directors believe that the full amount of debt is recoverable, and no doubtful debt provision have been made at 30 June 2016.

Receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest rate method, less any accumulated impairment.

(d) Other financial assets

Other financial assets are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs.

The company classifies its other financial assets between current and non-current assets based on the purpose for which the assets were acquired at initial recognition.

The company assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

Financial assets at fair value through profit or loss

Financial assets held for trading purposes are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset. Fair value is determined in the manner described in Note 17(f).

Loans and receivables

Trade receivables, loans and other receivables are recorded at amortised cost, using the effective interest method, less impairment.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Held-to-maturity investments

Where the company has the positive intent and ability to hold investments to maturity, they are stated at amortised cost less impairment losses.

Available-for-sale financial assets

Other financial assets held by the company are classified as being available-for-sale and are stated at fair value. Gains and losses arising from changes in fair value are recognised directly in equity until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in profit or loss for the period. Fair value is determined in the manner described in Note 17(f).

Notes to the financial statements (continued)

Note 1. Statement of significant accounting policies (continued)

Significant accounting policies (continued)

(e) Plant and equipment

Plant and equipment are brought to account at cost or at independent or Directors' valuation less, where applicable, any accumulated depreciation or amortisation.

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 which will be received from the assets' employment and subsequent disposal.

The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

The depreciable amount of all fixed assets is depreciated over their useful lives commencing from the time the asset is held ready for use. A summary of the depreciation method and depreciation rates for each class of attached is as follows.

Class of asset	2016	2015
Furniture & fittings	10-25%	10-25%
Plant & equipment	10-25%	10-25%
Leasehold improvements	10-25%	10-25%
Motor vehicles	23%	23%

(f) Impairment of assets

Intangible assets with indefinite useful lives (and intangible assets not yet available for use) are tested annually for impairment (i.e. as to whether their carrying value exceeds their recoverable amount, and so require write-downs) and whenever there is an indication that the asset may be impaired. All other assets are assessed annually for indications of impairment, except for:

- financial instrument assets;
- investment property that is measured at fair value; and
- non-current assets held for sale.

If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written-off by a charge to the operating statement except to the extent that the write-down can be debited to an asset revaluation reserve amount applicable to that class of asset.

It is deemed that, in the event of the loss of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made. The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell.

(g) Goodwill

Goodwill is initially recorded at the amount by which the purchase price for a business combination exceeds the fair value attributed to the interest in the net fair value of identifiable assets, liabilities and contingent liabilities at date of acquisition. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses.

Notes to the financial statements (continued)

Note 1. Statement of significant accounting policies (continued)

Significant accounting policies (continued)

(h) Payables

These amounts consist predominantly of liabilities for goods and services. Payables are initially recognised at fair value, then subsequently carried at amortised cost and represent liabilities for goods and services provided to the company prior to the end of the financial year that are unpaid, and arise when the company becomes obliged to make future payments in respect of the purchase of these goods and services. The normal credit terms are usually Nett 30 days.

(i) Provisions

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

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

(j) Share capital

Issued and paid up capital is recognised at the fair value of the consideration received by the company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(k) goods and services tax

Revenues, expenses and assets are recognised net of GST except for receivables and payables which are stated with the amount of GST included and except where the amount of GST incurred is not recoverable, in which case GST is recognised as part of the cost of acquisition of an asset or part of an item of expense or revenue. GST receivable from and payable to the Australian Taxation Office (ATO) is included in the statement of financial position. The GST component of a receipt or payment is recognised on a gross basis in the cash flow statement except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(l) Income tax

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

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 are therefore measured at the amounts expected to be paid to the relevant taxation authority.

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

Current and deferred income tax expense is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

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.

Notes to the financial statements (continued)

Note 1. Statement of significant accounting policies (continued)

Significant accounting policies (continued)

(l) 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.

(m) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are classified as finance leases. Finance leases are capitalised, recording as asset value of the minimum lease payments, including any guaranteed residual values. Leased assets are amortised over their estimated useful lives where it is likely that the entity will obtain ownership of the asset or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred. Lease incentives under operating leases are recognised as a liability. Lease payments received reduce the liability.

(n) Employee benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. 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. 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. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

(o) Revenue recognition

Revenue is recognised in accordance with AASB 118. Income is recognised as revenue to the extent it is earned. Unearned income at reporting date is reported as income received in advance.

(p) Comparative Information

Where necessary the previous year's figures have been reclassified to facilitate comparisons.

	2016 \$	2015 \$
Note 2. Revenue		
Revenue from continuing operations		
Services revenue	1,611,165	1,526,813
Interest - other persons	11,012	11,964
Recoveries	1,838	1,240
Total revenue from continuing operations	1,624,015	1,540,017

Notes to the financial statements (continued)

	2016 \$	2015 \$
Note 3. Depreciation and amortisation		
Depreciation of property plant and equipment	24,154	21,646
Amortisation of intangibles	27,336	27,410
	51,490	49,056

Note 4. Income tax expense

a) The components of tax expense comprise:

Current tax	22,030	7,700
Deferred tax	6,016	4,113
	28,046	11,813

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

Prima facie tax payable on profit from ordinary activities before income tax at 30% (2015: 30%)	39,473	18,041
Add		
Tax effect of:		
other non-allowable items	(11,427)	(6,228)
	28,046	11,813
Less		
Tax effect of:		
under provision of tax in prior years	-	-
	28,046	11,813
Weighted average tax effective rate	21.26%	19.74%

Note 5. Cash and cash equivalents

Cash at bank	79,396	115,694
Short term deposits	492,733	358,945
	572,129	474,639

Notes to the financial statements (continued)

	2016 \$	2015 \$
Note 6. Receivables		
Current		
Contractual		
Trade debtors	550	-
Franchise income receivable	116,243	90,018
Accrued investment income	2,588	2,787
Total	119,381	92,805

(a) Ageing of receivables

Please refer to note 16 (c) for the ageing analysis of receivables.

(b) Nature and extent of risk arising from receivables

Please refer to note 16 (c) for the nature and extent of credit risk arising from receivables.

Note 7. Other financial assets

Non-current

Available-for-sale financial assets

Shares - unlisted public company	19,200	19,200
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(a) Ageing of other financial assets

Please refer to note 17 (c) for the ageing analysis of Other Financial Assets.

(b) Nature and extent of risk arising from other financial assets

Please refer to note 17 (c) for the nature and extent of credit risk arising from Other Financial Assets.

Note 8. Deferred tax assets

Deferred tax assets comprise:

Provisions	26,955	23,692
Other	(1,692)	11,959
	25,263	35,651

Notes to the financial statements (continued)

	2016 \$	2015 \$
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Note 9. Property, plant and equipment

(a) Gross carrying amount and accumulated depreciation

At cost

Furniture and equipment	44,682	41,515
Less accumulated depreciation	(38,165)	(35,701)
Total furniture and equipment	6,517	5,814
Motor vehicles	17,330	-
Less accumulated depreciation	(2,121)	-
Total motor vehicles	15,209	-
Leasehold improvements	440,984	441,484
Less accumulated amortisation	(123,208)	(103,640)
Total leasehold improvements	317,776	337,844
Total property, plant and equipment	339,501	343,658

(b) Reconciliations of the carrying amounts of each class of asset

	Leasehold Improvements \$	Motor Vehicles \$	Furniture & Equipment \$	Total \$
Balance at 1 July 2014	356,820	-	6,167	362,987
Additions	-	-	2,318	2,318
Disposals at WDV	-	-	-	-
Depreciation expense	(18,976)	-	(2,671)	(21,647)
Balance at 30 June 2015	337,844	-	5,814	343,658
Additions	0	-	3,167	3,167
Disposals at WDV (refer Note 2(a))	(500)	-	-	(500)
Depreciation expense	(19,568)	(2,121)	(2,464)	(24,153)
Balance at 30 June 2016	317,776	15,209	6,517	339,501

(c) Fair value measurement hierarchy of assets as at 30/6/2016

	Carrying amount as at 30 June 2016	Fair value measurement at end of reporting period using:		
		Level 1(i)	Level 2(i)	Level 3(i)
Furniture and equipment at fair value	6,517	-	6,517	-
Motor Vehicles at fair value	15,209	-	15,209	-
Leasehold improvements at fair value	317,776	-	317,776	-
	339,501	-	339,501	-

Notes to the financial statements (continued)

Note 9. Property, plant and equipment (continued)

Note

- (i) Classified in accordance with the fair value hierarchy, see Note 1

Furniture and fittings and leasehold improvements are held at carrying value (depreciated cost). When furniture and fittings and leasehold improvements are specialised in use, such that it is rarely sold other than as part of a going concern, the depreciated replacement cost is used to estimate the value. Unless there is market evidence that current replacement costs are significantly different from the original cost, it is considered unlikely that the depreciated replacement cost will be materially different from the existing carrying value.

Bellarine Peninsula Community Branch acquires new vehicles and at times disposes of them before completion of their economic life. The process of acquisition, use and disposal in the market is managed by Bellarine Peninsula Community Branch who set relevant depreciation rates during use to reflect the consumption of the vehicles. As a result, the fair value of vehicles does not differ materially from the carrying value (depreciated cost).

There were no changes in valuation techniques throughout the period to 30 June 2016.

	2016 \$	2015 \$
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Note 10. Intangible assets

Non-current

Franchise licence fee	137,426	137,426
Less accumulated amortisation	(68,306)	(40,970)
	69,120	96,456
Goodwill - Drysdale branch at cost	106,478	106,478
	175,598	202,934

Note 11. Payables

Current

Contractual		
Payables - contractual	1,859	1,696
Accrued wages	-	32,576
Accrued expenses	7,041	6,700
	8,900	40,972
Statutory		
GST payable	22,909	15,934
PAYG withholding	12,442	10,107
Payroll tax	5,118	8,946
	40,469	34,987
Total payables	49,369	75,959

Notes to the financial statements (continued)

	2016 \$	2015 \$
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Note 12. Borrowings

Current	\$	\$
Equipment finance lease	5,068	-
Less unexpired interest charges	(571)	-
Total	4,497	-
Non-current		
Equipment finance lease	12,249	-
Less unexpired interest charges	(1,379)	-
Total	10,869	-
Total borrowings	15,366	-

Note 13. Provisions

Current	\$	\$
Long service leave	47,524	39,160
Annual leave	33,459	30,536
Total	80,983	69,696
Non-current		
Long service leave	8,866	9,278
Total provisions	89,849	78,974

Note 14. Tax liabilities

Current		
Income tax	10,384	(32,189)

Note 15. Issued capital

(a) Ordinary shares

1,598,571 (2015: 1,598,571) ordinary shares fully paid	787,911	787,911
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Notes to the financial statements (continued)

	2016 \$	2015 \$
Note 16. Reconciliation of net result for the year to net cash flows from operating activities		
Result after income tax	103,903	48,043
Non-cash flows in profit		
Depreciation and amortisation	51,490	49,057
Changes in assets and liabilities		
Increase/(decrease) in provisions	63,835	(64,605)
Increase/(decrease) in payables	(26,590)	20,329
Decrease/(increase) in receivables	(26,576)	23,332
Net cash from operating activities	166,063	76,156

Note 17. Financial risk management

(a) Financial risk management objectives and policies

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

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

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board has established an Audit and Governance committee which reports regularly to the Board.

The company's principal financial instruments comprise of:

- Cash Assets
- Term Deposits
- Receivables (excluding statutory receivables)
- Payables (excluding statutory payables)

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument are disclosed in Note 1 to the financial statements.

Notes to the financial statements (continued)

Note 17. Financial risk management (continued)

(b) Categorisation of financial instruments

	Note	Category	Carrying Amount	
			2016 \$	2015 \$
Financial assets				
Cash and cash equivalents	5	N/A	572,129	474,639
Receivables	6	Loans and Receivables	119,381	92,805
Other financial assets	7	Available for sale of Financial Assets (at fair value)	19,200	19,200
Financial liabilities				
Payables	11	Financial Liabilities measured at Amortised Cost	8,900	51,079

(c) 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.

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

The company limits its exposure to credit risk by only investing in liquid securities with Bendigo and Adelaide Bank Limited.

The company's exposure to credit risk and effective weighted average interest rate by ageing periods is set out in the following table. For interest rates applicable to each class of asset refer to individual notes to the financial statements.

Interest rate exposure and ageing analysis of financial assets as at 30 June

	Weighted Average Interest Rates %	Consolidated Carrying Amount \$	Interest Rate Exposure			Not Past Due And Not Impaired \$
			Fixed Interest Rate \$	Variable Interest Rate \$	Non Interest Bearing \$	
2016						
Financial assets						
Cash and cash equivalents	3.25	572,129	492,733	79,036	360	572,129
Receivables	0.00	119,381	-	-	119,381	119,381
Other financial assets	0.00	19,200	-	-	19,200	19,200
Total financial assets		710,710	492,733	79,036	138,941	710,710
2015						
Financial assets						
Cash and cash equivalents	3.25	474,639	358,945	115,334	360	474,639
Receivables	0.00	92,805	-	-	92,805	92,805
Other financial assets	0.00	19,200	-	-	19,200	19,200
Total financial assets		586,644	358,945	115,334	112,365	586,644

Notes to the financial statements (continued)

Note 17. Financial risk management (continued)

(d) Liquidity risk

The company manages liquidity risk by monitoring forecast cash flows and ensuring that liquid assets are available.

The following table discloses the contractual maturity analysis for the company's financial liabilities.

	Weighted Average Interest Rates %	Consolidated Carrying Amount \$	Interest Rate Exposure			Maturity Dates 1-2 Years	2-5 Years
			Fixed Interest Rate \$	Non Interest Bearing \$	Less than 1 Month \$		
2016							
Trade creditors and accruals	0.00	8,900	-	8,900	8,900	-	-
Borrowings	3.60	15,366	15,366		-	4500	10,866
Total financial liabilities		24,267	15,366	8,900	8,900	4,500	10,866
2015							
Trade creditors and accruals	0.00	51,079	-	51,079	51,079	-	-
Total financial liabilities		51,079	-	51,079	51,079	-	-

(e) Market risk

Currency risk

The company has no exposure to foreign currency risk.

Interest rate risk

Exposure to interest rate risk might arise primarily through the company's interest bearing liabilities. The company currently has no interest bearing liabilities.

Other price risk

The company is exposed to insignificant other price risk

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, the company believes the following movements are 'reasonably possible' over the next 12 months (Base rates are sourced from the Reserve Bank of Australia)

- A parallel shift of +1% and -1% in market interest rates (AUD) from year-end rates of 4%;
- A parallel shift of +1% and -1% in inflation rate from year-end rates of 3%

Notes to the financial statements (continued)

Note 17. Financial risk management (continued)

(e) Market risk (continued)

Other price risk (continued)

The following table discloses the impact on net operating result and equity for each category of financial instrument held by the company at year end if changes in the relevant risk occur:

	Carrying Amount \$	Interest Rate Risk			
		-1% Profit \$	Equity \$	+1% Profit \$	Equity \$
2016					
Financial assets					
Cash and cash equivalents	572,129	(790)	(790)	790	790
Receivables	119,381	-	-	-	-
Other financial assets	19,200	-	-	-	-
Financial liabilities					
Trade creditors and accruals	8,900	-	-	-	-
Borrowings	15,366	-	-	-	-
2015					
Financial assets					
Cash and cash equivalents	474,639	(1,153)	(1,153)	1,153	1,153
Receivables	92,805	-	-	-	-
Other financial assets	19,200	-	-	-	-
Financial liabilities					
Trade creditors and accruals	51,079	-	-	-	-

(f) Fair values

The fair values and net fair values of financial instrument assets and liabilities are determined as follows:

Level 1 - the fair value of financial instrument with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices;

Level 2 - the fair value is determined using inputs other than quoted prices that are observable for the financial asset or liability, either directly or indirectly; and

Level 3 - the fair value is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using unobservable market inputs.

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

Notes to the financial statements (continued)

Note 17. Financial risk management (continued)

(g) Capital management

The Board's policy is to maintain a strong capital base so as to sustain future development of the company. The Board of Directors monitor the return on capital and the level of dividends to shareholders. Capital is represented by total equity as recorded in the Statement of financial position.

In accordance with the franchise agreement, in any 12 month period, the funds distributed to shareholders shall not exceed the Distribution Limit.

The Distribution Limit is the greater of:

- (a) 20% of the profit or funds of the Franchisee otherwise available for distribution to shareholders in that 12 month period; and
- (b) subject to the availability of distributable profits, the Relevant Rate of Return multiplied by the average level of share capital of the Franchisee over that 12 month period.

The Relevant Rate of Return is equal to the weighted average interest rate on 90 day bank bills over that 12 month period plus 5%.

The Board is managing the growth of the business in line with this requirement. There were no changes in the company's approach to capital management during the year.

Note 18. Capital and leasing commitments

There are no known capital or leasing commitments for Bellarine Peninsula Community Branch Ltd.

Note 19. Segment reporting

Industry segments

Bellarine Peninsula Community Branch Ltd's only industry segment is the provision of branch banking services.

Geographical segment

Bellarine Peninsula Community Branch Ltd operates predominantly on the Bellarine Peninsula, Victoria. More than 90% revenue, net surplus from ordinary activities and segment assets relate to operations on the peninsula.

Note 20. Director and related party disclosures

a) The names of Directors whom have held office during the financial year are:

R Enders	SJ Baldwin
S Wight	PC Jones
P Evans	GD Webster
K Trewin	J Randone
J Finlay	

Notes to the financial statements (continued)

	2016 \$	2015 \$
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Note 20. Director and related party disclosures (continued)

b) Income paid or payable to all Directors	-	-
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c) Transactions with Directors and/or related parties

S. Wight is a Director of Davidsons Pty Ltd which provides accounting services to the company. The amount paid to Davidsons Pty Ltd for these services amounted to \$37,600 (2015 \$36,500).

The transactions were made on an arms length basis and on normal terms and conditions.

The Bendigo Peninsula Community Branch Ltd has accepted the **Community Bank®** Directors Privileges package. The package is available to all Directors who can elect to avail themselves of the benefits based on their personal banking with the Bendigo Peninsula Community Branch Ltd. There is no requirement to own BEN shares and there is no qualification period to qualify to utilize the benefits. The package mirrors the benefits currently available to Bendigo and Adelaide Bank shareholders.

Note 21. Contingent assets and contingent liabilities

There are no known contingent assets or contingent liabilities for the company

Note 22. Events occurring after reporting date

Since 30 June 2016 no matter or circumstance has arisen which had significantly affected or which may significantly affect the operations of the organisation or of a related entity

	2016 \$	2015 \$
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Note 23. Auditors remuneration

Remuneration of the Auditor of the company for:

-Auditing or reviewing the financial report	6,740	5,760
	6,740	5,760

Note 24. Earnings/ (loss) per share

Basic earnings per share amounts are calculated by dividing profit / (loss) after income tax by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing profit / (loss) after income tax by the weighted average number of ordinary shares outstanding during the year (adjusted for the effects of any dilutive options or preference shares).

Notes to the financial statements (continued)

	2016 \$	2015 \$
Note 24. Earnings/ (loss) per share (continued)		
The following reflects the income and share data used in the basic and diluted earnings per share computations:		
Profit/(loss) after income tax expense	103,903	48,043
Weighted average number of ordinary shares for basic and diluted earnings per share	1,598,571	1,598,571
a) Basic earnings per share (cents per share)	0.065	0.03
b) Diluted earnings per share (cents per share)	0.065	0.03

Note 25. Dividends

(a) Dividends paid during the year

Previous year proposed Franked dividends - 4 cents per share (2015: 7 cents per share)	63,943	111,900
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(b) Dividends proposed and not recognised as a liability

No dividends have currently been proposed (2015: 0 cents per share)	-	-
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(c) Franking credit balance

The amount of franking credits available for the subsequent financial year are:		
Franking account balance as at the end of the financial year	126,219	114,595
Subsequent to year-end, the franking account would be reduced by the proposed dividend reflected per (b) as follows:	-	-

The tax rate at which dividends have been franked is 30% (2015: 30%).

Dividends proposed will be franked at a rate of 30% (2015: 30%).

Note 26. Corporate information

Bellarine Peninsula Community Branch Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the National Stock Exchange of Australia (NSX).

The registered office is: 44 Newcombe Street
Portarlinton 3223

The principal places of business are:

Portarlinton	44 Newcombe Street Portarlinton 3223
Drysdale	11 Clifton Springs Road Drysdale 3222

Directors' declaration

The Directors of the company declare that:

1. The financial statements of the company comprising the Income Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and notes to and forming part of the accounts
 - (a) give a true and fair view of the company's financial position as at 30 June 2016 and its performance and cash flows for the year ended on that date; and
 - (b) comply with the Corporations Act 2001, Accounting Standards and the Corporations Regulations 2001.
2. In the Directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed on behalf of the Directors by:

Dated this 5 September 2016

A handwritten signature in black ink, appearing to read 'Stephen Wight', written in a cursive style.

Stephen Wight
Director

Independent audit report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BELLARINE PENINSULA COMMUNITY BRANCH LIMITED

Report on the financial report

We have audited the accompanying financial report of Bellarine Peninsula Community Branch Limited, which comprises the statement of financial position as at 30 June 2016, and the statement of profit or loss and other comprehensive income, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial report

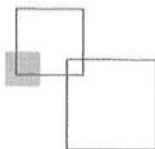
The directors of the company are responsible for the preparation of the financial report and have determined that the accounting policies described in Note 1 to the financial report are appropriate to meet the requirements of the *Corporations Act 2001* and are appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards (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.



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Independent audit report (continued)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BELLARINE PENINSULA COMMUNITY BRANCH LIMITED

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Bellarine Peninsula Community Branch Limited, would be in the same terms if provided to the directors as at the date of this auditor's report.

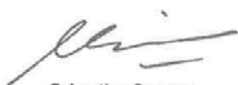
Auditor's opinion

In our opinion:

- a. the financial report of Bellarine Peninsula Community Branch 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 2016 and of their performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.
- b. The financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

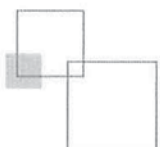
LBW

LBW Chartered Accountants



Sripathy Sarma
Principal

Dated this 5th day of September 2016



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NSX report

1. Distribution of equity securities

The number of shareholders by size of holding are

Number of equity securities	The number of shareholders by size of holding
1-1,000	102
1,001 – 5,000	186
5,001 – 10,000	39
10,001 – 100,000	28
100,001 and over	1

2. Thirteen largest shareholdings

The names of the thirteen largest shareholders of quoted shares are:

Shareholder Name	Number of Shares	Percentage of holding
Lynette Maree Elliott	130,000	8.13%
Alice Patricia Stroud	70,000	4.38%
Richard Everritt Thorne	46,100	2.88%
Audrey Laureen Drever	40,000	2.5%
John Barry Carew	32,003	2%
Annie Carew	32,000	2%
Margaret Nicol Macleod	30,000	1.88%
Peter Wolfenden	30,000	1.88%
DEJ Investments Pty. Ltd.	30,000	1.88%
Impact Insurance Superannuation Fund Pty. Ltd.	30,000	1.88%
David Lewis Investments Pty. Ltd.	30,000	1.88%
David Lewis Investments Pty. Ltd. (Lewis Family Super Fund)	30,000	1.88%
Thomas Leigh Pty. Ltd. (The Waring Family Superannuation Fund)	30,000	1.88%

There are 7 shareholders holding less than a marketable parcel of shares (\$500 in value)

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