



Annual report 2018

Harbord Financial Services Limited

ABN 25 097 282 525

Freshwater **Community Bank**[®] Branch of Bendigo Bank

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Chairman's Report

For the year ended 30 June 2018.

It is again a pleasure to report a successful 16th year of trading. We opened the branch in June 2002. This year 2018 also marks the 20th anniversary of the launching of the **Community Bank**[®] network in Rupanyup/Minyip **Community Bank**[®] branch Victoria.

Due to the great support of our excellent caring staff led by Sandy and Kasey, a balanced, qualified and motivated Board of Directors and Ambassadors, generous customers and shareholder base and of course our special community, we hold a very strong and respected position within the **Community Bank**[®] network! I thank you all!

Dividend results

This year as always retail banking has been very competitive and the Board looked to expand and increase our possibilities.

We became Community Business Partners with the Manly Warringah Sea Eagles, which reflected in the decrease in profits to \$198,114 down from \$239,107 in 2017.

This is a good result and enables us to announce a fully franked dividend of 10 cents per share for this financial year.

We have also contribute to the community a total of \$184,006 made up of \$145,509 in sponsorship \$26,500 Community Grants and \$11,997 in donations and I refer you to the list for details of the groups we support.

This brings our total contribution to \$2.6 million and dividends to our shareholders of \$674,000 (including the 2017 10 cent dividend)

Scholarship / Tertiary funding

Our 6th year of the Tertiary Scholarship Scheme has continued to be very well accepted and appreciated.

With the direction of Peter Harley we have a budget of \$50,000 to invest in the academic future of our youth in the nine High schools in our area.

2018 Recipient and Freshwater Student of the Year:

Katelyn Castle – NBSC Mackellar Girls Campus

2018 All Rounder lists:

- Kalliste Hardy – NBSC Freshwater Senior Campus
- Gus Reid – St Paul's Catholic College

2018 Individual recipients:

- Marin Turanec – NBSC Balgowlah Boys Campus
- Maya Yaffe – NBSC Manly Selective Campus
- Mackenzie Anderson - St Luke's Grammar School
- Alison Godbier – Stella Maris College
- Luke Perrignon – St Augustine's College

Youth Observers

- Gaia Wright-Willemsen – NBSC Mackellar Girls Campus
- Ruby Ankers – NBSC Mackellar Girls Campus
- Matthew Chen – NBSC Manly Selective Campus
- Sophie Keoghan – NBSC Manly Selective Campus

The participants have again initiated successful community programs. Matthew Chen provided funding assistance for Disability students from NBSC Cromer Campus to attend an event at PCYC Dee Why. Sophie Keoghan donated her funding allocation to the SES Manly branch to assist with the purchase of a training defibrillator. Ruby Ankers and Gaia Wright-Willemsen worked with the National Parks and Wildlife Services to promote how to protect the penguin colony near Manly Wharf and beach area with posters.

Thank you to our participants for your enthusiasm and congratulations on your achievements.

Directors

The voluntary efforts of all our Directors help make our company an exciting and stimulating working environment.

Their passion, commitment, experience and expertise contributes to our continued success.

I accordingly thank John Vaccaro, Ian Greentree, Martin Brook, Noela Roberts, Peter Harley, Denise Goldstein, Tony Bevan, David Irvine and Julie Rigoni for their service.

Ambassadors

We are fortunate to have an active Ambassador network that supports us all and ensures our Succession Planning.

Thank you to Ian Joynson, Bryn Russell, Greg Harding, Rohan Fell, Liam Yeates, Violet Warner and Debbie Organ.

Staff

Our staff are efficient, friendly and caring and led by Sandy our Manager, Kasey, Su-Ellen, Kerryn, Cheerie, Kathy, Simone and we welcomed Iuni Enari to the fold. They continue to give our community that bit extra we've come to expect. Thank you so much to all of you for your special efforts.

We wish to acknowledge our auditor Graeme Stewart, Accountants Josh, Anthony and Lachlan and Rose who manages the share registry and our partners Bendigo Bank.

These Directors will be retiring by rotation and I ask you to support John Vaccaro, Noela Roberts and Julie Rigoni for re-election.

As always I would like to thank you the shareholders, Directors, Ambassadors, the staff and our customers for supporting Freshwater **Community Bank**[®] Branch which enables us to achieve and sustain our special contributions and success.

Finally I thank you for the privilege of serving this great community of ours.



Trevor Sargeant

Chairman

Manager's Report

Once again I have the privilege as Manager of Freshwater **Community Bank**[®] Branch to report on the great success we have achieved over the last 12 months and contribute to what is our 17th Annual Report.

Our focus as always remains around adding value to our existing customers while building new relationships in our Community to ultimately grow our business.

It was another challenging year in a highly competitive financial market plus pressure felt by the Banking Industry from the ongoing Royal commission. Once again we have witnessed record low lending rates for our borrowers while trying to keep our retired and deposit customers satisfied with low deposit rates.

Our results are a team effort & can be attributed to our passionate, customer connected staff of Simone, Kasey, Su-Ellen, Kerryn, Cheerie and Kathy. We did welcome our new Customer Services Officer Luni Enari who joined us in July 2017.

Our community contributions were again substantial with \$184,006 being returned to our local community through donations, grants & sponsorships which makes a significant difference to numerous organisations. This is a very rewarding aspect to my role & something we are very proud of.

We continue to receive support from our partners at Bendigo and Adelaide Bank and our State Office team with which we have a close working relationship.

Our Board of Directors & Ambassadors dedicate many volunteer hours and work tirelessly in their roles to support me in my role as Branch Manager and to ensure the ongoing success of our business. This group places our **Community Bank**[®] in a unique position to be able to provide quality banking services to our Community whilst producing great outcomes for our customers, shareholders & sponsored organisations.

We look forward to serving you and yet another successful year and encourage all Shareholders who don't currently bank with us to give me a call & see how we can assist with your banking requirements.



Sandra Kleiner

Branch Manager

Bendigo and Adelaide Bank Ltd Report

For year ending 30 June 2018

It's been 20 years since the doors to the first **Community Bank**[®] branch opened. And it has only been a few months since the latest, the 321st, **Community Bank**[®] branch opened its doors.

In the last 20 years, much has changed. A staggering 92 per cent of our customers do their banking online and we pay for goods and services on a range of mobile phones, our watches and even our fitness devices. Many are embracing this online world with a sense of excitement and confidence. Our model will be even more accessible to people right across Australia.

Despite the change many things have also remained constant through the last two decades. Commitment within communities remains as strong today as it has ever been; from our first **Community Bank**[®] branch to the most recent one, and the 319 in between.

This year, five of our Community Bank branches are celebrating 20 years in business. Bendigo Bank has celebrated 160 years in business. We farewelled Managing Director Mike Hirst and welcomed into the MD role long-time Bendigo employee Marnie Baker.

Our **Be the change** online marketing campaign has been the most successful online marketing campaign ever run by our organisation. The premise behind **Be the change** is simple – it thanks individual customers for banking with their **Community Bank**[®] branch.

But it's not the Bank thanking the customers. It's not the staff, volunteer directors or shareholders thanking the customers. It's the kids from the local little athletics and netball clubs, it's the man whose life was saved by a **Community Bank**[®] funded defib unit, it's members of the local community choir and the animal rescue shelter. These people whose clubs and organisations have received a share of over \$200 million in **Community Bank**[®] contributions, all because of people banking with their local **Community Bank**[®] branch.

Be the change has further highlighted the power of the model. For others, customers are important. For our **Community Bank**[®] network, customer support ensures our point of difference. It's the reason we can share in the revenue generated by their banking business. Without this point of difference, we would be just another bank.

But we're not, we're Bendigo Bank and we're Australia's only '*community bank*', recently named by Roy Morgan Research as Australia's third most trusted brand and most trusted bank. As one of 70,000-plus **Community Bank**[®] company shareholders across Australia, these are outcomes we hope you too are proud of.

I'd like to thank you for your decision to support your local **Community Bank**[®] company as a shareholder. Your support has been vitally important to enhancing the prospects and outcomes within your community.

Without you, there would be no **Community Bank**[®] branch network in Australia.

We value your initial contribution and your ongoing support of your **Community Bank**[®] branch and your community. Thank you for continuing to play a role in helping your community **Be the change**.



Robert Musgrove Bendigo and Adelaide Bank

Directors' Report

Your directors submit the financial statements of the company for the financial year ended 30 June 2018.

Directors

The names and details of the company's directors who held office during or since the end of the financial year:

<p>Trevor Leslie Sargeant Chairman Occupation: Dentist Qualifications, experience and expertise: Holds a Bachelor of Dentistry Science from Sydney University. Special responsibilities: Chairman; Governance / Audit Committee; Operation & Human Resources Committee; Business Development and Marketing Committee; Sponsorship Committee Interest in shares: 11,000* indirect & 1 direct</p>
<p>John Vaccaro Vice Chairman Occupation: Licensed Real Estate Agent Qualifications, experience and expertise: 35 years' experience in operating and selling real estate. Licensee in charge, training group leader and supervisor. Special responsibilities: Vice Chairman, Business Development and Marketing Committee, Sponsorship Committee, Former Board Member of Community Bank Strategic Advisory Board NSW/ACT Interest in shares: 1,000 indirect & 1 direct</p>
<p>Ian John Greentree Secretary Occupation: Retired Qualifications, experience and expertise: Diploma Law Solicitor, Associate Diploma Accounting, Accountant, Company Secretary, Retired member Governance Institute of Australia. Special responsibilities: Governance/Audit Committee, Company Secretary Interest in shares: 2,000* indirect & 1 direct</p>
<p>David James Irvine Treasurer Occupation: Retired Qualifications, experience and expertise: Holds a Bachelor of Financial Administration from University of New England, Chartered Accountant with 35 years' experience in financial management, business expertise and project management. Special responsibilities: Governance / Audit Committee; Business Development, Marketing & Sponsorship Committee Interest in shares: 1 direct</p>
<p>Martin Edwin Brook Director Occupation: Pharmacist Qualifications, experience and expertise: Holds a Bachelor of Pharmacy and has been a retail Pharmacist for 35 years. Proprietor of Brook's Pharmacy and Harbord Pharmacy at Freshwater for 25 years. Special responsibilities: Operations & Human Resources, Sponsorship Committee Interest in shares: 2,000 indirect & 1 direct</p>

Directors' Report continued

<p>Noela Rose Roberts Director Occupation: Retired Qualifications, experience and expertise: Holds a Bachelor of Economics and worked as an accountant for 30 years. Special responsibilities: Sponsorship Committee and Youth Observer Mentor Interest in shares: 9,000* indirect & 1 direct</p>
<p>Denise Faith Goldstein Director Occupation: Business Owner Qualifications, experience and expertise: National Sales Director and National Sales and Marketing Manager in IT. Founded SESI Group. Is a long term resident of Freshwater for the past 20 years. Treasurer of Friends of Freshwater and involved in Diggers Development Community Consultation Group. Special responsibilities: Operations & Human Resources Committee Interest in shares: 5,000* indirect & 1 direct</p>
<p>Peter Eric Harley Director Occupation: Retired Qualifications, experience and expertise: Former Director of WorkCover Authority of NSW, Executive Director of Test safe Australia (2004-08). Public Sector Manager for thirty years. President of Friends of Freshwater Inc. Bachelor of Commerce UNSW. Post Graduate Diploma of Relations and Law at University of Sydney. Special responsibilities: Operational Health & Safety, Business Development & Marketing, Sponsorship committees and Scholarship Coordinator Interest in shares: 5,500* indirect & 1 direct</p>
<p>Anthony Curtiss Bevan Director Occupation: Bookkeeper Qualifications, experience and expertise: 40 years banking experience as a Relationship Banker - Business Portfolio and Management, Consumer and Business Banking. Special responsibilities: Business Development and Marketing Committee, Sponsorship Committee Interest in shares: 1 direct</p>
<p>Julie Clare Rigoni Director Occupation: Retired Qualifications, experience and expertise: Worked in the financial services sector for over 35 years and had run her own business for over 16 years that focusses on preparing and providing programs solely for the financial services sector in key area of education and a range of customised marketing, distribution and business strategy solutions of which she designed and conducted many education programs including investment updates and global research programs to many overseas countries and also advisors here in Australia. Special responsibilities: Operations & Human Resources committee, Chair of Business Development and Marketing committee, Sponsorship Committee Interest in shares: 6,000* indirect</p>

* - interest in shares includes shares held by spouse

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

No directors have material interests in contracts or proposed contracts with the company.

Directors' Report continued

Company Secretary

The company secretary is Ian Greentree. Ian was appointed to the position of secretary on 27 November 2006.

Ian has a Diploma in Law, admitted as a Solicitor to the Supreme Court of NSW, Associate Diploma in Accounting, member of Institute of Public Accountants, Retired Member of Governance Institute of Australia and previously held the position of assistant Company Secretary of Advance Bank Australia Limited.

Principal Activities

The principal activities of the company during the financial year were facilitating Community Bank® services under management rights to operate a franchised branch of Bendigo and Adelaide Bank Limited.

There have been no significant changes in the nature of these activities during the year.

Operating results

Operations have continued to perform in line with expectations. The profit of the company for the financial year after provision for income tax was:

	Year ended 30 June 2018	Year ended 30 June 2017
	\$	\$
	198,114	239,107
	Year ended 30 June 2018	
Dividends	Cents	\$
Dividends paid in the year	10.0	69,306

Significant changes in the state of affairs

In the opinion of the directors there were no significant changes in the state of affairs of the company that occurred during the financial year under review not otherwise disclosed in this report or the financial statements.

Events since the end of the financial year

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, in future years.

Likely developments

The company will continue its policy of facilitating banking services to the community.

Environmental regulation

The company is not subject to any significant environmental regulation.

Directors' Report continued

Directors' benefits

No director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company, controlled entity or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest.

Indemnification and insurance of directors and officers

The company has indemnified all directors and the manager in respect of liabilities to other persons (other than the company or related body corporate) that may arise from their position as directors or manager of the company except where the liability arises out of conduct involving the 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. The company has not provided any insurance for an auditor of the company or a related body corporate.

Directors' meetings

The number of directors' meetings attended by each of the directors of the company during the year were:

	Board meetings Attended		Committee Meetings Attended							
			Audit		Operations & Human Resources		Director Marketing Committee		Sponsorship	
	A	B	A	B	A	B	A	B	A	B
Trevor Leslie Sargeant	12	11	2	2	3	3	11	10	11	10
John Vaccaro	12	10	-	1	-	-	11	9	11	7
Ian John Greentree	12	9	2	1	-	-	-	3	-	3
David James Irvine	12	8	2	2	3	2	11	8	11	8
Martin Edwin Brook	12	9	-	1	-	-	-	-	11	-
Noela Rose Roberts	12	11	-	1	-	-	-	9	11	9
Denise Faith Goldstein	12	10	-	1	3	2	-	2	-	2
Peter Eric Harley	12	6	-	1	-	-	11	3	11	3
Anthony Curtiss Bevan	12	6	-	-	-	-	11	6	11	6
Julie Rigoni	12	12	-	1	3	1	11	10	11	10

A – Eligible to attend
B – number attended

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to 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 part of those proceedings.

No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 237 of the *Corporations Act 2001*.

Directors' Report continued

Non audit services

The company may decide to employ the auditor on assignments additional to their statutory duties where the auditor's expertise and experience with the company are important. Details of the amounts paid or payable to the auditor (Andrew Frewin Stewart) for audit and non-audit services provided during the year are set out in the notes to the accounts.

The board of directors has considered the position, in accordance with the advice received from the audit committee and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

The directors are satisfied that the provision of non-audit services by the auditor, as set out in the notes did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the audit committee to ensure they do not impact on the impartiality and objectivity of the auditor
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, including reviewing or auditing the auditor's own work, acting in a management or a decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risk and rewards.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 10.

Signed in accordance with a resolution of the board of directors at Freshwater, New South Wales on 24 September 2018.



Trevor Sargeant

Chairman

Auditor's Independence declaration



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

As lead auditor for the audit of Harbord Financial Services Limited for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been:

- i) no contraventions of the auditor independence requirements of 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.

Andrew Frewin Stewart
61 Bull Street, Bendigo Vic 3550
Dated: 24 September 2018

Graeme Stewart
Lead Auditor

Financials

Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2018

	Notes	2018 \$	2017 \$
Revenue from ordinary activities	4	1,427,180	1,370,584
Employee benefits expense		(556,401)	(538,895)
Charitable donations, sponsorship, advertising and promotion		(266,458)	(214,971)
Occupancy and associated costs		(164,960)	(129,160)
Systems costs		(25,409)	(19,364)
Depreciation and amortisation expense	5	(27,865)	(37,078)
General administration expenses		(111,553)	(101,313)
Profit before income tax expense		274,534	329,803
Income tax expense	6	(76,420)	(90,696)
Profit after income tax expense		198,114	239,107
Total comprehensive income for the year attributable to the ordinary shareholders of the company:		198,114	239,107
Earnings per share		¢	¢
Basic earnings per share	23	28.59	34.50

The accompanying notes form part of these financial statements

Financials continued

Balance Sheet as at 30 June 2018

	Notes	2018 \$	2017 \$
ASSETS			
Current assets			
Cash and cash equivalents	7	941,336	850,104
Trade and other receivables	8	136,887	140,690
Total current assets		1,078,223	990,794
Non-current assets			
Property, plant and equipment	9	123,434	137,872
Financial assets	10	5,000	5,000
Intangible assets	11	44,240	55,432
Deferred tax asset	12	17,208	19,580
Total non-current assets		189,882	217,884
Total assets		1,268,105	1,208,678
LIABILITIES			
Current liabilities			
Trade and other payables	13	57,296	45,814
Current tax liabilities	12	3,854	76,227
Provisions	14	72,349	70,853
Total current liabilities		133,499	192,894
Non-current liabilities			
Trade and other payables	13	24,623	36,934
Provisions	14	6,227	3,902
Total non-current liabilities		30,850	40,836
Total liabilities		164,349	233,730
Net assets		1,103,756	974,948
EQUITY			
Issued capital	15	613,376	613,376
Retained earnings	16	490,380	361,572
Total equity		1,103,756	974,948

The accompanying notes form part of these financial statements

Financials continued

Statement of Changes in Equity for the year ended 30 June 2018

	Issued Capital \$	Retained Earnings \$	Total Equity \$
Balance at 1 July 2016	613,376	170,979	784,355
Total comprehensive income for the year	-	239,107	239,107
Transactions with owners in their capacity as owners:			
Shares issued during period	-	-	-
Costs of issuing shares	-	-	-
Dividends provided for or paid	21	(48,514)	(48,514)
Balance at 30 June 2017	613,376	361,572	974,948
Balance at 1 July 2017	613,376	361,572	974,948
Total comprehensive income for the year	-	198,114	198,114
Transactions with owners in their capacity as owners:			
Shares issued during period	-	-	-
Costs of issuing shares	-	-	-
Dividends provided for or paid	21	(69,306)	(69,306)
Balance at 30 June 2018	613,376	490,380	1,103,756

The accompanying notes form part of these financial statements

Financials continued

Statement of Cash Flows for the year ended 30 June 2018

	Notes	2018 \$	2017 \$
Cash flows from operating activities			
Receipts from customers		1,552,268	1,462,585
Payments to suppliers and employees		(1,244,230)	(1,123,112)
Interest received		12,348	16,346
Income taxes paid		(146,421)	(5,052)
Net cash provided by operating activities	17	173,965	350,767
Cash flows from investing activities			
Payments for property, plant and equipment		(2,235)	(5,955)
Payments for intangible assets		(11,192)	(11,192)
Net cash used in investing activities		(13,427)	(17,147)
Cash flows from financing activities			
Dividends paid	21	(69,306)	(48,514)
Net cash used in financing activities		(69,306)	(48,514)
Net increase in cash held		91,232	285,106
Cash and cash equivalents at the beginning of the financial year		850,104	564,998
Cash and cash equivalents at the end of the financial year	7(a)	941,336	850,104

The accompanying notes form part of these financial statements

Notes to the Financial Statements

For the year ended 30 June 2018

Note 1. Summary of significant accounting policies

a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standard Boards and the Corporations Act 2001. The company is a for-profit entity for the purpose of preparing the financial statements.

Compliance with IFRS

These financial statements and notes comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. These areas involving a higher degree of judgement or complexities, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

Historical cost convention

The financial statements have been prepared under the historical cost convention on an accruals basis as modified by the revaluation of financial assets and liabilities at fair value through profit or loss and where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

Comparative figures

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

Application of new and amended accounting standards

There are a number of amendments to accounting standards issued by the Australian Accounting Standards Board (AASB) that became mandatorily effective for accounting periods beginning on or after 1 July 2017, and are therefore relevant for the current financial year.

AASB 9 Financial Instruments sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This accounting standard is not expected to have a material impact on the financial statements.

AASB 15 Revenue from Contracts with Customers establishes a comprehensive framework for determining whether, how much and when revenue is recognised. This accounting standard is not expected to have a material impact on the financial statements.

Notes to the Financials continued

There are also a number of accounting standards and interpretations issued by the AASB that become effective in future accounting periods.

The company has elected not to apply any accounting standards or interpretations before their mandatory operative date for the annual reporting period beginning 1 July 2017. These future accounting standards and interpretations therefore have no impact on amounts recognised in the current period or any prior period.

AASB 16 Leases is effective for annual periods beginning on or after 1 January 2019. The standard introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

The company has completed an initial assessment of the potential impact on its financial statements but has not yet completed its detailed assessment. The actual impact of applying AASB 16 on the financial statements in the period of initial application will depend on future economic conditions, including the company's borrowing rate at 1 January 2019, the composition of the lease portfolio at that date, the latest assessment of whether the company will exercise any lease renewal options and the extent to which the company chooses to use practical expedients and recognition exemptions.

So far, the most significant impact identified is that the company will recognise new assets and liabilities for its operating lease of its branch. As at 30 June 2018, the company's future minimum lease payment under non-cancellable operating leases amount to \$422,836, on an undiscounted basis (see Note 18).

No significant impact is expected for the company's finance leases.

Economic dependency - Bendigo and Adelaide Bank Limited

The company has entered into a franchise agreement with Bendigo and Adelaide Bank Limited that governs the management of the **Community Bank**[®] branch at Freshwater, New South Wales.

The branch operates as a franchise of Bendigo and Adelaide Bank Limited, using the name "Bendigo Bank" and the logo and system of operations of Bendigo and Adelaide Bank Limited. The company manages the **Community Bank**[®] branch on behalf of Bendigo and Adelaide Bank Limited, however all transactions with customers conducted through the **Community Bank**[®] branch are effectively conducted between the customers and Bendigo and Adelaide Bank Limited.

All deposits are made with Bendigo and Adelaide Bank Limited, and all personal and investment products are products of Bendigo and Adelaide Bank Limited, with the company facilitating the provision of those products. All loans, leases or hire purchase transactions, issues of new credit or debit cards, temporary or bridging finance and any other transaction that involves creating a new debt, or increasing or changing the terms of an existing debt owed to Bendigo and Adelaide Bank Limited, must be approved by Bendigo and Adelaide Bank Limited. All credit transactions are made with Bendigo and Adelaide Bank Limited, and all credit products are products of Bendigo and Adelaide Bank Limited.

The company promotes and sells the products and services, but is not a party to the transaction.

Notes to the Financials continued

The credit risk (i.e. the risk that a customer will not make repayments) is for the relevant Bendigo and Adelaide Bank Limited entity to bear as long as the company has complied with the appropriate procedures and relevant obligations and has not exercised a discretion in granting or extending credit.

Bendigo and Adelaide Bank Limited provides significant assistance in establishing and maintaining the **Community Bank**[®] branch franchise operations. It also continues to provide ongoing management and operational support and other assistance and guidance in relation to all aspects of the franchise operation, including advice in relation to:

- advice and assistance in relation to the design, layout and fit out of the **Community Bank**[®] branch
- training for the branch manager and other employees in banking, management systems and interface protocol
- methods and procedures for the sale of products and provision of services
- security and cash logistic controls
- calculation of company revenue and payment of many operating and administrative expenses
- the formulation and implementation of advertising and promotional programs
- sales techniques and proper customer relations.

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

b) Revenue

Revenue is recognised when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the company and any specific criteria have been met. Interest and fee revenue is recognised when earned. The gain or loss on disposal of property, plant and equipment is recognised on a net basis and is classified as income rather than revenue. All revenue is stated net of the amount of Goods and Services Tax (GST).

Revenue calculation

The franchise agreement provides that three forms of revenue may be earned by the company – margin, commission and fee income. Bendigo and Adelaide Bank Limited decides the form of revenue the company earns on different types of products and services.

The revenue earned by the company is dependent on the business that it generates. It may also be affected by other factors, such as economic and local conditions, for example, interest rates.

Core banking products

Bendigo and Adelaide Bank Limited has identified some Bendigo Bank Group products and services as 'core banking products'. It may change the products and services which are identified as core banking products by giving the company at least 30 days' notice. Core banking products currently include Bendigo Bank branded home loans, term deposits and at call deposits.

Margin

Margin is arrived at through the following calculation:

Notes to the Financials continued

- Interest paid by customers on loans less interest paid to customers on deposits
- *plus* any deposit returns i.e. interest return applied by Bendigo and Adelaide Bank Limited for a deposit,
- *minus* any costs of funds i.e. interest applied by Bendigo and Adelaide Bank Limited to fund a loan.

Margin is paid on all core banking products. A funds transfer pricing model is used for the method of calculation of the cost of funds, deposit return and margin.

The company is entitled to a share of the margin earned by Bendigo and Adelaide Bank Limited (i.e. income adjusted for Bendigo and Adelaide Bank Limited's interest expense and interest income return). However, if this reflects a loss, the company incurs a share of that loss.

Commission

Commission is a fee paid for products and services sold. It may be paid on the initial sale or on an ongoing basis. Commission is payable on the sale of an insurance product such as home contents. Examples of products and services on which ongoing commissions are paid include leasing and Sandhurst Trustees Limited products.

Fee income

Fee income is a share of what is commonly referred to as 'bank fees and charges' charged to customers by Bendigo Bank Group entities including fees for loan applications and account transactions.

Discretionary financial contributions

In addition to margin, commission and fee income, and separate from the franchise agreement, Bendigo and Adelaide Bank Limited has also made discretionary financial payments to the company. These are referred to by Bendigo and Adelaide Bank Limited as a "Market Development Fund" (MDF).

The amount has been based on the volume of business attributed to a branch. The purpose of the discretionary payments is to assist with local market development activities, including community sponsorships and donations.

It is for the board to decide how to use the MDF.

The payments from Bendigo and Adelaide Bank Limited are discretionary and Bendigo and Adelaide Bank Limited may change the amount or stop making them at any time.

Ability to change financial return

Under the franchise agreement, Bendigo and Adelaide Bank Limited may change the form and amount of financial return that the company receives. The reasons it may make a change include changes in industry or economic conditions or changes in the way Bendigo and Adelaide Bank Limited earns revenue.

The change may be to the method of calculation of margin, the amount of margin, commission and fee income or a change of a margin to a commission or vice versa. This may affect the amount

Notes to the Financials continued

of revenue the company receives on a particular product or service. The effect of the change on the revenue earned by the company is entirely dependent on the change.

If Bendigo and Adelaide Bank Limited makes a change to the margin or commission on core banking products and services, it must not reduce the margin and commission the company receives on core banking products and services Bendigo and Adelaide Bank Limited attributes to the company to less than 50% (on an aggregate basis) of Bendigo and Adelaide Bank Limited's margin at that time. For other products and services, there is no restriction on the change Bendigo and Adelaide Bank Limited may make.

Bendigo and Adelaide Bank Limited must give the company 30 days' notice before it changes the products and services on which margin, commission or fee income is paid, the method of calculation of margin and the amount of margin, commission or fee income.

Monitoring and changing financial return

Bendigo and Adelaide Bank Limited monitors the distribution of financial return between **Community Bank**[®] companies and Bendigo and Adelaide Bank Limited on an ongoing basis.

Overall, Bendigo and Adelaide Bank Limited has made it clear that the **Community Bank**[®] model is based on the principle of shared reward for shared effort. In particular, in relation to core banking products and services, the aim is to achieve an equal share of Bendigo and Adelaide Bank Limited's margin.

c) Income tax

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax is accounted for using the balance sheet liability method on temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The

Notes to the Financials continued

measurement of deferred tax liabilities reflects the tax consequences that would follow from the manner in which the entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax and when the balances relate to taxes levied by the same taxation authority and the entity intends to settle its tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the Statement of Profit or Loss and Other Comprehensive Income, except when it relates to items credited or debited to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or gain from a bargain purchase.

d) Employee entitlements

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, 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.

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

e) Cash and cash equivalents

For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the Balance Sheet.

f) Trade receivables and payables

Receivables are carried at their amounts due. The collectability of debts is assessed at balance date and specific provision is made for any doubtful accounts. Liabilities for trade creditors and other amounts are carried at cost that is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the company.

g) Property, plant and equipment

Plant and equipment, leasehold improvements and equipment under finance lease are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land. Depreciation is calculated on a straight line basis so as to write off the net cost of each asset over its expected useful life to its estimated residual value. Leasehold improvements

Notes to the Financials continued

are depreciated at the rate equivalent to the available building allowance using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

The following estimated useful lives are used in the calculation of depreciation:

- leasehold improvements	5 - 15	years
- plant and equipment	2.5 - 40	years
- motor vehicle	3 - 5	years

h) Intangibles

The franchise fee paid to Bendigo and Adelaide Bank Limited has been recorded at cost and is amortised on a straight line basis over the life of the franchise agreement.

The renewal processing fee paid to Bendigo and Adelaide Bank Limited when renewing the franchise agreement has also been recorded at cost and is amortised on a straight line basis over the life of the franchise agreement.

i) Payment terms

Receivables and payables are non-interest bearing and generally have payment terms of between 30 and 90 days.

j) Borrowings

All loans are initially measured at the principal amount. Interest is recognised as an expense as it accrues.

k) Financial instruments

Recognition and initial measurement

Financial instruments, incorporating financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial instruments are initially measured at fair value plus transaction costs. Financial instruments are classified and measured as set out below.

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. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement

(i) Loans and receivables

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

Notes to the Financials continued

amortised cost using the effective interest rate method.

(ii) 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 entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

(iii) 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 the Statement of Profit or Loss and Other Comprehensive Income. Available-for-sale financial assets are included in non-current assets except where they are expected to be sold within 12 months after the end of the reporting period. All other financial assets are classified as current assets.

(iv) Financial liabilities

Financial liabilities include borrowings, trade and other payables and non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Impairment

At each reporting date, the entity assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

l) 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 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 the lessor, are charged as expenses 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.

m) 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

Notes to the Financials continued

transactions of 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.

n) Issued capital

Ordinary shares are 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.

o) Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

p) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Balance Sheet. Cash flows are included in the Statement of Cash Flows on a gross basis.

The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Note 2. Financial risk management

The company's activities expose it to a limited variety of financial risks: market risk (including currency risk, fair value interest risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the entity.

The entity does not use derivative instruments.

Risk management is carried out directly by the board of directors.

(i) Market risk

The company has no exposure to any transactions denominated in a currency other than Australian dollars.

Notes to the Financials continued

(ii) Price risk

The company is not exposed to equity securities price risk as it does not hold investments for sale or at fair value. The company is not exposed to commodity price risk.

(iii) Credit risk

The company has no significant concentrations of credit risk. It has policies in place to ensure that customers have an appropriate credit history. The company's franchise agreement limits the company's credit exposure to one financial institution, being Bendigo and Adelaide Bank Limited.

(iv) Liquidity risk

Prudent liquidity management implies maintaining sufficient cash and marketable securities and the availability of funding from credit facilities. The company believes that its sound relationship with Bendigo and Adelaide Bank Limited mitigates this risk significantly.

(v) Cash flow and fair value interest rate risk

Interest-bearing assets are held with Bendigo and Adelaide Bank Limited and subject to movements in market interest. Interest-rate risk could also arise from long-term borrowings. Borrowings issued at variable rates expose the company to cash flow interest-rate risk. The company believes that its sound relationship with Bendigo and Adelaide Bank Limited mitigates this risk significantly.

(vi) 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 Balance Sheet.

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 where 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 are no other externally imposed capital requirements, although the nature of the company is such that amounts will be paid in the form of charitable donations and sponsorship. Charitable donations and sponsorship paid for the year ended 30 June 2018 can be seen in the Statement of Profit or Loss and Other Comprehensive Income.

There were no changes in the company's approach to capital management during the year.

Notes to the Financials continued

Note 3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

Taxation

Judgement is required in assessing whether deferred tax assets and certain tax liabilities are recognised on the balance sheet. Deferred tax assets, including those arising from carried-forward tax losses, capital losses and temporary differences, are recognised only where it is considered more likely than not that they will be recovered, which is dependent on the generation of sufficient future taxable profits.

Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. These depend on estimates of future sales volumes, operating costs, capital expenditure, dividends and other capital management transactions. Judgements are also required about the application of income tax legislation.

These judgements and assumptions are subject to risk and uncertainty. There is therefore a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognised on the balance sheet and the amount of other tax losses and temporary differences not yet recognised. In such circumstances, some or all of the carrying amount of recognised deferred tax assets and liabilities may require adjustment, resulting in corresponding credit or charge to the Statement of Profit or Loss and Other Comprehensive Income.

Estimation of useful lives of assets

The estimation of the useful lives of assets has been based on historical experience and the condition of the asset is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary

Impairment of assets

At each reporting date, the company reviews the carrying amounts of its tangible and intangible assets that have an indefinite useful life to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the

Notes to the Financials continued

asset does not generate cash flows that are independent from other assets, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

Note 4. Revenue from ordinary activities	2018	2017
	\$	\$
Operating activities:		
- gross margin	1,232,004	1,169,258
- services commissions	62,628	73,600
- fee income	87,971	102,734
- market development fund	10,000	10,000
Total revenue from operating activities	<u>1,392,603</u>	<u>1,355,592</u>
Non-operating activities:		
- interest received	22,604	14,163
- sundry income	11,973	829
Total revenue from non-operating activities	<u>34,577</u>	<u>14,992</u>
Total revenues from ordinary activities	<u><u>1,427,180</u></u>	<u><u>1,370,584</u></u>

Notes to the Financials continued

Note 5. Expenses	2018	2017
	\$	\$
Depreciation of non-current assets:		
- plant and equipment	5,496	6,110
- leasehold improvements	4,865	12,574
- motor vehicle	6,312	6,312
Amortisation of non-current assets:		
- franchise agreement	2,238	2,417
- franchise renewal fee	8,954	9,665
	<u>27,865</u>	<u>37,078</u>
Bad debts	<u>7,766</u>	<u>20</u>

Note 6. Income tax expense		
The components of tax expense comprise:		
- Current tax	74,048	89,993
- Movement in deferred tax	2,372	703
The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax expense as follows		
Operating profit	274,534	329,803
Prima facie tax on profit from ordinary activities at 27.5% (2017: 27.5%)	75,497	90,696
Add tax effect of:		
- non-deductible expenses	923	(703)
- timing difference expenses	(2,372)	-
	<u>74,048</u>	<u>89,993</u>
Movement in deferred tax	<u>2,372</u>	<u>703</u>
	<u>76,420</u>	<u>90,696</u>

Note 7. Cash and cash equivalents	2018	2017
Cash at bank and on hand	41,336	150,104
Term deposits	900,000	700,000
	<u>941,336</u>	<u>850,104</u>

Notes to the Financials continued

Note 7.(a) Reconciliation to cash flow statement	2018	2017
	\$	\$

The above figures reconcile to the amount of cash shown in the statement of cash flows at the end of the financial year as follows:

Cash at bank and on hand	41,336	150,104
Term deposits	900,000	700,000
	941,336	850,104

Note 8. Trade and other receivables

Trade receivables	108,063	128,581
Prepayments	15,491	9,032
Other receivables and accruals	13,333	3,077
	136,887	140,960

Note 9. Property, plant and equipment

Leasehold improvements		
At cost	317,937	317,937
Less accumulated depreciation	(221,908)	(217,043)
	96,029	100,894
Plant and equipment		
At cost	123,040	120,805
Less accumulated depreciation	(109,591)	(104,095)
	13,449	16,710
Motor vehicles		
At cost	31,561	31,561
Less accumulated depreciation	(17,605)	(11,293)
	13,956	20,268
Total written down amount	123,434	137,872

Movements in carrying amounts:

Leasehold improvements		
Carrying amount at beginning	100,894	113,468
Additions	-	-
Less: depreciation expense	(4,865)	(12,574)

Notes to the Financials continued

Carrying amount at end	96,029	100,894
Plant and equipment		
Carrying amount at beginning	16,710	16,865
Additions	2,235	5,955
Less: depreciation expense	(5,496)	(6,110)
Carrying amount at end	13,449	16,710
Motor vehicles		
Carrying amount at beginning	20,268	26,580
Additions	-	-
Less: depreciation expense	(6,312)	(6,312)
Carrying amount at end	13,956	20,268
Total written down amount	123,434	137,872

Note 10. Financial Assets

Unlisted Investments at cost		
Warringah Financial Services Limited	5,000	5,000

Note 11. Intangible assets

Franchise fee		
At cost	122,746	122,746
Less: accumulated amortisation	(113,898)	(111,660)
	8,848	11,086
Renewal processing fee		
At cost	90,982	90,982
Less: accumulated amortisation	(55,590)	(46,636)
	35,392	44,346
Total written down amount	44,240	55,432

Notes to the Financials continued

Note 12. Tax	2018	2017
Current:	\$	\$
Income tax payable/(refundable)	<u>3,854</u>	<u>76,227</u>
Non-Current:		
Deferred tax assets		
- accruals	743	743
- employee provisions	21,608	20,558
	<u>22,351</u>	<u>21,301</u>
Deferred tax liability		
- accruals	3,667	847
- plant and equipment	1,476	874
	<u>5,143</u>	<u>1,721</u>
Net deferred tax asset	<u>17,208</u>	<u>19,580</u>
Movement in deferred tax charged to Statement of Profit or Loss and Other Comprehensive Income	<u>2,372</u>	<u>703</u>

Note 13. Trade and other payables

Current:		
Trade creditors	5,106	1,809
Other creditors and accruals	52,190	44,005
	<u>57,296</u>	<u>45,814</u>
Non-Current:		
Other creditors and accruals	<u>24,623</u>	<u>36,934</u>

Note 14. Provisions

Current:		
Provision for annual leave	20,505	22,548
Provision for long service leave	52,299	48,305
	<u>72,349</u>	<u>70,853</u>
Non-Current:		
Provision for long service leave	<u>6,227</u>	<u>3,902</u>

Notes to the Financials continued

Note 15. Issued capital	2018	2017
693,059 ordinary shares fully paid (2017: 693,059)	693,059	693,059
Less: equity raising expenses	(79,683)	(79,683)
	613,376	613,376

Rights attached to shares

(a) *Voting rights*

Subject to some limited exceptions, each member has the right to vote at a general meeting.

On a show of hands or a poll, each member attending the meeting (whether they are attending the meeting in person or by attorney, corporate representative or proxy) has one vote, regardless of the number of shares held. However, where a person attends a meeting in person and is entitled to vote in more than one capacity (for example, the person is a member and has also been appointed as proxy for another member) that person may only exercise one vote on a show of hands. On a poll, that person may exercise one vote as a member and one vote for each other member that person represents as duly appointed attorney, corporate representative or proxy.

The purpose of giving each member only one vote, regardless of the number of shares held, is to reflect the nature of the company as a community based company, by providing that all members of the community who have contributed to the establishment and ongoing operation of the **Community Bank**[®] branch have the same ability to influence the operation of the company.

(b) *Dividends*

Generally, dividends are payable to members in proportion to the amount of the share capital paid up on the shares held by them, subject to any special rights and restrictions for the time being attaching to shares. The franchise agreement with Bendigo and Adelaide Bank Limited contains a limit on the level of profits or funds that may be distributed to shareholders. There is also a restriction on the payment of dividends to certain shareholders if they have a prohibited shareholding interest (see below).

(c) *Transfer*

Generally, ordinary shares are freely transferable. However, the directors have a discretion to refuse to register a transfer of shares.

Subject to the foregoing, shareholders may transfer shares by a proper transfer effected in accordance with the company's constitution and the *Corporations Act 2001*.

Prohibited shareholding interest

A person must not have a prohibited shareholding interest in the company.

In summary, a person has a prohibited shareholding interest if any of the following applies:

- They control or own 10% or more of the shares in the company (the "10% limit").
- In the opinion of the board they do not have a close connection to the community or communities in which the company predominantly carries on business (the "close connection test").
- Where the person is a shareholder, after the transfer of shares in the company to that person the number of shareholders in the company is (or would be) lower than the base number (the "base number test"). The base number is 374. As at the date of this report, the company had 406 shareholders.

Notes to the Financials continued

As with voting rights, the purpose of this prohibited shareholding provision is to reflect the community-based nature of the company.

Where a person has a prohibited shareholding interest, the voting and dividend rights attaching to the shares in which the person (and his or her associates) have a prohibited shareholding interest, are suspended.

The board has the power to request information from a person who has (or is suspected by the board of having) a legal or beneficial interest in any shares in the company or any voting power in the company, for the purpose of determining whether a person has a prohibited shareholding interest. If the board becomes aware that a member has a prohibited shareholding interest, it must serve a notice requiring the member (or the member's associate) to dispose of the number of shares the board considers necessary to remedy the breach. If a person fails to comply with such a notice within a specified period (that must be between three and six months), the board is authorised to sell the specified shares on behalf of that person. The holder will be entitled to the consideration from the sale of the shares, less any expenses incurred by the board in selling or otherwise dealing with those shares.

In the constitution, members acknowledge and recognise that the exercise of the powers given to the board may cause considerable disadvantage to individual members, but that such a result may be necessary to enforce the prohibition.

Note 16. Retained earnings	2018	2017
	\$	\$
Balance at the beginning of the financial year	361,572	170,979
Net profit from ordinary activities after income tax	198,114	239,107
Dividends paid or provided for	(69,306)	(48,514)
Balance at the end of the financial year	<u>490,380</u>	<u>361,572</u>

Note 17. Statement of cash flows		
Reconciliation of profit from ordinary activities after tax to net cash provided by operating activities		
Profit from ordinary activities after income tax	198,114	239,107
Non cash items:		
- depreciation	16,673	24,996
- amortisation	11,192	12,082
Changes in assets and liabilities:		
- (increase)/decrease in receivables	3,803	(2,503)
- (increase)/decrease in other assets	13,564	(35,351)
- increase/(decrease) in payables	(829)	39,024
- increase/(decrease) in provisions	3,821	(2,815)
- increase/(decrease) in current tax liabilities	(72,373)	76,227
Net cash flows provided by operating activities	<u>173,965</u>	<u>350,767</u>

Notes to the Financials continued

Note 18. Leases	2018	2017
	\$	\$
Operating lease commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements		
Payable - minimum lease payments:		
- not later than 12 months	107,958	104,814
- between 12 months and 5 years	314,878	410,521
- greater than 5 years	-	-
	<u>422,836</u>	<u>515,335</u>

The branch lease is a non-cancellable lease with a five-year term, with rent payable monthly in advance. The lease is due to expire on 13 Jun 2022. There are two options to renew the lease for a further five years available to be exercised at the conclusion of each term.

Note 19. Auditor's remuneration

Amounts received or due and receivable by the auditor of the company for:		
- audit and review services	4,400	5,500
- share registry services	5,633	5,627
- non audit services	3,120	3,050
	<u>13,153</u>	<u>14,177</u>

Note 20. Director and related party disclosures

The names of directors who have held office during the financial year are:

Trevor Leslie Sargeant
John Vaccaro
Ian John Greentree
David James Irvine
Martin Edwin Brook
Noela Rose Roberts
Denise Faith Goldstein
Peter Eric Harley
Anthony Curtiss Bevan
Julie Rigoni

No director or related entity has entered into a material contract with the company.
No director's fees have been paid as the positions are held on a voluntary basis.

Notes to the Financials continued

Directors Shareholdings	<u>2018</u>	<u>2017</u>
Trevor Leslie Sargeant	11,001	2,001
John Vaccaro	1,001	1,001
Ian John Greentree	2,001	1,501
David James Irvine	1	1
Martin Edwin Brook	2,001	2,001
Noela Rose Roberts	9,001	9,001
Denise Faith Goldstein	5,001	1
Peter Eric Harley	5,501	501
Anthony Curtiss Bevan	1	1
Julie Rigoni	6,000	5,000

There was movement in director's shareholdings during the year.

Note 21. Dividends paid or provided	<u>2018</u>	<u>2017</u>
	\$	\$
<i>a. Dividends paid during the year</i>		
Current year dividend		
100% (2017: 100%) franked dividend - 10.0 cents (2017: 7 cents) per share	69,306	48,514
	<u> </u>	<u> </u>

The tax rate at which dividends have been franked is 27.5% (2017: 27.5%).

b. Franking account balance

Franking credits available for subsequent reporting periods are:

- franking account balance as at the end of the financial year	200,471	80,338
- franking credits/(debits) that will arise from payment/(refund) of income tax as at the end of the financial year	3,854	73,803
- franking debits that will arise from the payment of dividends recognised as a liability at the end of the financial year	-	-
	<u> </u>	<u> </u>

Notes to the Financials continued

Franking credits available for future financial reporting periods:	204,325	154,141
- franking debits that will arise from payment of dividends proposed or declared before the financial report was authorised for use but not recognised as a distribution to equity holders during the period	-	-
Net franking credits available	<u>204,325</u>	<u>154,141</u>

Note 22. Key management personnel disclosures

No director of the company receives remuneration for services as a company director or committee member.

There are no executives within the company whose remuneration is required to be disclosed.

Note 23. Earnings per share

(a) Profit attributable to the ordinary equity holders of the company used in calculating earnings per share	198,114	239,107
	Number	Number
(b) Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	693,059	693,059

Note 24. Events occurring after the reporting date

There have been no events after the end of the financial year that would materially affect the financial statements.

Note 25. Contingent liabilities and contingent assets

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

Note 26. Segment reporting

The economic entity operates in the service sector where it facilitates **Community Bank®** services in Freshwater, New South Wales pursuant to a franchise agreement with Bendigo and Adelaide Bank Limited.

Notes to the Financials continued

Note 27. Registered office/Principal place of business

The entity is a company limited by shares, incorporated and domiciled in Australia. The registered office and principal place of business is:

Registered Office	Principal Place of Business
20 Albert Street	20 Albert Street
FRESHWATER NSW 2096	FRESHWATER NSW 2096

Notes to the Financials continued

Note 28. Financial instruments

Financial Instrument Composition and Maturity Analysis

The table below reflects the undiscounted contractual settlement terms for all financial instruments, as well as the settlement period for instruments with a fixed period of maturity and interest rate.

Financial instrument	Floating interest		Fixed interest rate maturing in						Non interest bearing		Weighted average	
			1 year or less		Over 1 to 5 years		Over 5 years					
	2018	2017	2018	2017	2018	2018	2018	2017	2018	2017	2018	2017
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	%	%
Financial assets												
Cash and cash equivalents	40,992	149,760	900,000	700,000	-	-	-	-	344	344	2.34	1.95
Receivables	-	-	-	-	-	-	-	-	108,063	128,581	N/A	N/A
Financial liabilities												
Payables	-	-	-	-	-	-	-	-	5,106	1,809	N/A	N/A

Net Fair Values

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

Credit Risk

The maximum exposure to credit risk at balance date to recognised financial assets is the carrying amount of those assets as disclosed in the balance sheet and notes to the financial statements.

There are no material credit risk exposures to any single debtor or group of debtors under financial instruments entered into by the economic entity.

Interest Rate Risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from the interest bearing financial assets and liabilities in place subject to variable interest rates, as outlined above.

Sensitivity Analysis

The company has performed sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in interest rates.

Notes to the Financials continued

As at 30 June 2018, the effect on profit and equity as a result of changes in interest rate, with all other variables remaining constant would be as follows:

	2018	2017
	\$	\$
Change in profit/(loss)		
Increase in interest rate by 1%	9,410	8,498
Decrease in interest rate by 1%	(9,410)	(8,498)
Change in equity		
Increase in interest rate by 1%	9,410	8,498
Decrease in interest rate by 1%	(9,410)	(8,498)

Directors' declaration

In accordance with a resolution of the directors of Harbord Financial Services Limited, we state that:

In the opinion of the directors:

- (a) the financial statements and notes of the company are 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 2018 and of its performance for the financial year ended on that date; and
 - (ii) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
- (c) the audited remuneration disclosures set out in the remuneration report section of the directors' report comply with Accounting Standard AASB124 Related Party Disclosures and the Corporations Regulations 2001.

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



Trevor Sargeant

Chairman

Signed on the 24th of September 2018.

Independent Auditor's report



Independent auditor's report to the members of Harbord Financial Services Limited

Report on the audit of the financial statements

Our opinion

In our opinion, the financial report of Harbord 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 2018 and of its performance for the year ended on that date; and
- ii. complying with Australian Accounting Standards.

What we have audited

Harbord Financial Services Limited's (the company) financial report comprises the:

- ✓ Statement of profit or loss and other comprehensive income
- ✓ Balance sheet
- ✓ Statement of changes in equity
- ✓ Statement of cash flows
- ✓ Notes comprising a summary of significant accounting policies and other explanatory notes
- ✓ The directors' declaration of the entity.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report.

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other information

The company usually prepares an annual report that will include the financial statements, directors' report and declaration and our independence declaration and audit report (the financial report). The annual report may also include "other information" on the entity's operations and financial results and financial position as set out in the financial report, typically in a Chairman's report and Manager's report, and reports covering governance and shareholder matters.

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Independent Auditor's report continued

The directors are responsible for the other information. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and accordingly we will not express any form of assurance conclusion thereon.

Our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If we identify that a material inconsistency appears to exist when we read the annual report (or become aware that the other information appears to be materially misstated), we will discuss the matter with the directors and where we believe that a material misstatement of the other information exists, we will request management to correct the other information.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report so that it gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or cease operations, or have no realistic alternative but to do so.

Auditor's responsibility for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatement can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/home.aspx>. This description forms part of our auditor's report.



Andrew Frewin Stewart
61 Bull Street, Bendigo, 3550
Dated: 24 September 2018



Graeme Stewart
Lead Auditor

Shareholder information

Harbord Financial Services Limited is a public company incorporated in Australia and from 1 July 2015 operates a Special market called Low Volume Market (LVM) to facilitate the trading of its shares.

Shareholding

The following table shows the number of shareholders, broken into various categories showing the total number of shares held.

Number of shares held	Number of shareholders	Number of shares held
1 to 1,000	270	185,957
1,001 to 5,000	125	408,101
5,001 to 10,000	8	62,232
10,001 to 100,000	3	36,769
101,000 and over	-	-
Total shareholders	406	693,059

Equity securities

Each of the above shareholders are entitled to 1 vote, irrespective of the number of shares held.

There are no substantial shareholders (holding more than 5% of voting rights) as each shareholder is entitled to 1 vote.

Normally holding more than 5% of total issued shares would create a substantial shareholder, but this is not applicable due to the voting restrictions for the company.

There are 8 shareholders holding less than a marketable parcel of shares (\$500 in value).

There are no restricted securities on issue.

All shares on issue are ordinary shares fully paid to \$1 per share.

There are no unquoted equity securities.

Shareholder information continued

Largest shareholders

The following table shows the largest shareholders.

Shareholder	Number of fully paid shares held	Percentage of issued capital
MR RICHARD GRANVILLE WRAY	13,769	1.99
GREGORY ANDREW MARAUN <ESTATE PETER NOEL MARAUN A/C>	12,000	1.73
STAAS DUGGAN INVESTMENTS PTY LTD	11,000	1.59
BRETROE PTY LTD <JOHN THORPE & PATRICIA KING SUPERANNUATION FUND A/C>	10,000	1.44
NORTHERN SUBURBS SECRETARIAL SERVICES PTY LTD <JULETON A/C>	9,500	1.37
VICKI DIANNE SARGEANT	9,000	1.30
MRS NOELA ROSE ROBERTS	8,001	1.15
WINPAR HOLDINGS LIMITED	7,500	1.08
SANTOSHA SUPERANNUATION FUND PTY LTD <SANTOSHA SUPER FUND A/C>	6,231	.90
MR PHILLIP ROHAN MARSH	6,000	.87
MR GRAHAM RIGONI & MRS JULIE RIGONI	6,000	.87

Registered office and Principal administrative office

The registered office of the company is located at:

20 Albert Street Freshwater NSW 2096 Phone (02) 9939 8990

The principal administrative office of the company is located at:

20 Albert Street Freshwater NSW 2096 Phone (02) 9939 8990

Security Register

The security register (share register) is kept at:

AFS & Associates Pty Ltd 61-65 Bull Street BENDIGO VIC 3550 Phone: (03) 5443 0344

Postal address: PO BOX 454 BENDIGO VIC 3552

Company Secretary

Ian Greentree has been the Company Secretary of Harbord Financial Services Limited for 12 years.

Ian's qualifications and experience include:

- Diploma in Law admitted as a Solicitor to the Supreme Court of NSW
- Associate Diploma in Accounting
- Member of the Institute of Public Accountants
- Governance Institute of Australia

Shareholder information continued

Corporate Governance

The company has implemented various corporate governance policies, which include:

- (a) The establishment of an audit committee. Members of the audit committee are Trevor Sargeant; Ian Greentree; David Irvine
- (b) Director approval of operating budgets and monitoring of progress against these budgets.
- (c) Ongoing Director training; and
- (d) Monthly Director meetings to discuss performance and strategic plans.

5 Year summary of performance

		2014	2015	2016	2017	2018
Gross revenue	\$	1,237,561	1,179,177	1,143,014	1,370,584	1,427,180
Net profit before tax	\$	66,241	95,875	88,947	329,803	274,534
Total assets	\$	874,950	941,256	905,649	1,208,678	1,268,105
Total liabilities	\$	135,467	174,761	121,294	233,730	164,349
Total equity	\$	739,483	766,495	784,355	974,948	1,103,756

Shareholder Dividend History

YEAR	Cents per share	Total Distribution
2004 / 2005	2.25 cents	\$15,593.83
2005 / 2006	3.50 cents	\$24,257.06
2006 / 2007	10.0 cents	\$69,305.90
2007 / 2008	10.0 cents	\$69,305.90
2008 / 2009	8.0 cents	\$55,444.72
2009 / 2010	10.0 cents	\$69,305.90
2010 / 2011	10.0 cents	\$69,305.90
2011 / 2012	10.0 cents	\$69,305.90
2012 / 2013	4.50 cents	\$31,187.71
2013 / 2014	5.50 cents	\$38,118.30
2014 / 2015	6.50 cents	\$45,048.89
2015 / 2016	7.0 cents	\$48,514.13
2016 / 2017	10.0 cents	\$69,305.90
Total	97.25 cents	\$674,000.04

Director History

Steering Committee

Bernard O'Connor

Chairman

Robert Adams

Brian Dunphy

Greg Hazlett

Jeremy Hodges

Ian Joynson

Roger Leys

Peter Lowther

Bryce Rea

Deidre McAliden

Public Relations

Peter Kemp

Solicitor

Stephen Armstrong

Accountant

David McCauley

Bendigo Bank

Inaugural Directors

Domenic Gerace

Chairman

Dr Trevor Sargeant

Vice Chairman

Brian Dunphy

Company Secretary

Martin Brook

Ian Joynson

Howard Lipman

Phillip Murray

Dr Howard Wong-See (Dec'd)

Past Directors

Brian Dunphy

Anita Hutcheson

Phillip Murray

Andrew Speers

Howard Lipman

Dr Howard Wong-See (Dec'd)

John Lang

Lisa Bousfield

Darren Jones

Brad O'Connor

Ian Joynson

now Ambassador

Kevin Abrahamson

Community Support for the year ended 30 June 2018

DONATIONS		
NAME OF RECIPIENT	DESCRIPTION	AMOUNT
Lions Club of Manly Inc	Circus Quirkus tickets for special needs children	\$600
Home Sweet 2017	Inaugural sleep-out event	\$777
MS Ltd	Fundraising event	\$558
James Griffin MP	Run for Manly charity fun run event	\$520
The Cancer Council	Donation	\$5
Hands Across the Water	Donation	\$200
Sanfilippo Children's Foundation	Donation	\$200
Manly Women's Shelter	Barrenjoey Peninsula Week of Golf - Raffle Charity recipient	\$500
PanCare Foundation	Donation	\$200
LIVIN	Donation	\$200
Mackellar Girls Campus P & C Association	"Be the Change" donation	\$1,000
The Children's Hospital Westmead	Bob "Tug" Wilson Walk for Kids with Cancer	\$211
Manly Village Market	YOB project - Donate Life stall	\$30
Griffin MP, James	Make Your Mark Manly - Invictus Games event	\$1,800
Beyond Blue 2018 Bitumen Car Rally	Donation	\$2135
Royal Flying Doctor Services	Donation	\$500
Pambula & District Community Development Ltd	Tathra Bushfire appeal	\$500
Harbord Community Library	Donation for purchase of 1000 books	\$1,000
Cancer Council NSW	Biggest Morning Tea	\$700
CEO Sleep Out	Donation	\$330
	TOTAL	\$11,997

SCHOLARSHIP GRANTS		
NAME OF RECIPIENT	DESCRIPTION	AMOUNT
Julian Harris - St Luke's Grammar School	2015 FCB Tertiary Scholarship + Ken Ward Memorial Scholarship	\$2,500
Wylie Faeste - Balgowlah Boys Campus *	2015 FCB Tertiary Scholarship	\$500
Anna Ritchie - St Luke's Grammar School	2016 FCB Tertiary Scholarship + Ken Ward Memorial Scholarship	\$5,000
Olivia Flower - Mackellar Girls Campus *	2017 FCB Tertiary Scholarship + Ken Ward Memorial Scholarship	\$2,500
Aaron Donald Skilton - Freshwater Senior Campus *	2017 FCB Tertiary Scholarship + All Rounder	\$2,500
Robert Cantwell - Manly Selective Campus *	2017 FCB Tertiary Scholarship + All Rounder	\$2,500

Grace Joseph - Stella Maris College	2017 FCB Tertiary Scholarship + All Rounder	\$2,500
Sofie Rejto - St Luke's Grammar School	2017 FCB Tertiary Scholarship	\$500
Ivica Covic - St Paul's Catholic College	2017 FCB Tertiary Scholarship	\$500
Hiranya Patel - Cromer Campus *	2017 FCB Tertiary Scholarship	\$500
Monty Taylor - Balgowlah Boys Campus *	2017 FCB Tertiary Scholarship	\$500
Katelyn Castle - Mackellar Girls Campus *	2018 FCB Tertiary Scholarship + Ken Ward Memorial Scholarship	\$2,500
Kalliste Hardy - Manly Selective Campus *	2018 FCB Tertiary Scholarship + All Rounder	\$2,500
Marin Turanec - Balgowlah Boys Campus *	2018 FCB Tertiary Scholarship	\$500
Alison Godbier - Stella Maris College	2018 FCB Tertiary Scholarship + All Rounder	\$500
Mackenzie Anderson - St Luke's Grammar School	2018 FCB Tertiary Scholarship	\$500
	TOTAL	\$26,500
* Balgowlah Boys; Cromer; Freshwater Senior; Mackellar Girls and Manly Selective Campuses are all part of the Northern Beaches Secondary College.		

SPONSORSHIP		
NAME OF RECIPIENT	DESCRIPTION	AMOUNT
Manly Warringah District Junior Rugby Football League	2017 2nd half sponsorship payment	\$5,000
Warringah Cricket Club Inc	2017 Bronze Spon 2nd year pmt	\$2,650
A Miller	2017 MW Sapphires PL Netball U20' Player of Year	\$1,000
S MacGougan	2017 MW Sapphires PL Player of the Year	\$1,000
M Papallo	2017 MWNA Anne Sargeant Jnr Rep Player of Year	\$200
L Tombs	2017 MWNA Anne Sargeant Snr Rep Player of Year	\$200
Collaroy Plateau Netball Club	2017 MWNA FCB Club of the Year	\$500
A Carter	2017 MWNA FCB Junior Club Person of Year	\$200
A Tan	2017 MWNA FCB Junior Umpire of the Year	\$200
T Halliday	2017 MWNA/FCB Senior Club Person of the Year	\$200
A Paine	2017 MWNA/FCB Senior Umpire of the Year	\$200
S Moore	2017 Northern Beaches Art Prize - Youth category Overall winner	\$1,500
J Thompson	2017 Northern Beaches Art Prize - Youth category Junior Winner	\$400
A Rofe	2017 Northern Beaches Art Prize - Youth Category Senior winner 15-18 years	\$400
Harbord Kindergarten Inc	2017 sponsorship	\$500
Manly Croquet Club	2017 sponsorship Annual Seabreeze Tournament	\$500

Manly & Mosman Parkinson's Support Group	2017 sponsorship Christmas lunch	\$350
Freshwater Community Carols	2017 sponsorship –stage hire, song sheets, flyers	\$5,729
J Scrymgeour	2017 Valley UJRLFC "Valley M" Player of Season	\$500
J Viljoen	2017 YOB's project - Donate Life fundraiser stall at Manly Village Markets 18/11/17	\$417
Harbord Swim Club	2017/18 Northern Beaches Council WAC lane hire	\$457
Barrenjoey Peninsula Week of Golf	2017/18 Silver sponsorship	\$540
Harbord Harlequins Rugby Club	2017/18 sponsorship	\$2,200
Northside Enterprise Incorporated	2017/18 sponsorship	\$2,000
Girls Boardrider Fraternity	2017/18 sponsorship	\$500
North Curl Curl SLSC	2017/18 sponsorship	\$11,352
Manly Warringah Baseball Umpires Inc	2017/18 sponsorship	\$1,255
Manly War Services & Business Houses Touch Football Assoc	2017/18 sponsorship	\$800
Freshwater Surf Life Saving Club	2017/18 sponsorship	\$14,763
Freshwater Amateur Swimming Club	2017/18 sponsorship	\$1,000
Manly Warringah Sapphires Prem League Netball Inc	2017/18 sponsorship	\$13,000
Harbord Frigid Frogs Winter Swimming Club Inc	2017/18 Sponsorship	\$1,500
Manly Seaside Baseball Club Inc	2017/18 sponsorship training shirts	\$800
Manly Warringah Avicultural Society Inc	2017/18 sponsorship 60th Annual bird show	\$300
Harbord Women's Bowling Club	2017/18 sponsorship Annual tournament	\$700
Sailability NSW - Manly Branch	2017/18 sponsorship New canopy	\$1,394
Manly Warringah Netball Assoc	2018 All Ability Netball Season sponsorship	\$5,000
A Fydler - Female winner	2018 Freshwater SLSC Barney Mullins Ocean Swim	\$500
F Brown - Male winner	2018 Freshwater SLSC Barney Mullins Ocean Swim	\$500
Manly Warringah AFL Club	2018 Gold sponsorship	\$12,000
The Rotary Club of Manly Inc	2018 Manly Fun Run & Walk	\$5,000
Dee Why Lions Rugby Union Club	2018 Season Sponsorship	\$2,000
Manly United Football Club Ltd	2018 Season Sponsorship	\$25,000
Curl Curl Youth Club	2018 Season Sponsorship	\$3,000
Manly Bombers JAFC	2018 Season Sponsorship	\$2,000
Manly Warringah Netball Assoc	2018 Season sponsorship	\$6,800
North Curl Curl Knights JRLFC	2018 Season Sponsorship	\$1,000
Rotary Club of Balgowlah Inc	2018 Silver Corporate sponsor Annual Charity Golf day	\$1,000
Glen Street Theatre	2018 Subscription season program	\$5,000
Surfing NSW Inc	2018 Support Partner - Sydney Surf Pro Manly	\$2,000
NSW State Emergency Services	2018 Youth Observer project	\$500
	TOTAL	\$145,509

If you are involved with a community organisation or sporting club, Freshwater **Community Bank**[®] Branch of Bendigo Bank would welcome your banking.



2018 FCB Tertiary Scholarship presentation



Freshwater SLSC Barney Mullins Ocean Swim event



2018 Manly Warringah Sapphires Premier League Netball



Sailability Manly thank you morning tea



Freshwater **Community Bank®** Branch

20 Albert Street Freshwater NSW 2096

PH 02 9939 6744 | Fax 02 9939 6844



Harbord Financial Services Limited

Franchisee: Harbord Financial Services Limited
Registered office & principal administrative office

The registered office of the company is located at:
20 Albert Street Freshwater NSW 2096 02 9939 6744

The principal administrative office of the company is located at:
20 Albert Street Freshwater NSW 2096 02 9939 6844

Security Register

The security register (share register) is kept at:
AFS & Associates 61 – 65 Bull Street Bendigo VIC 3550 03 5443 0344
Postal Address: PO BOX 454 Bendigo VIC 3552