annual report 2009

Adelaide Plains Financial
Services Limited

ABN 50 088 304 581

Virginia & Districts and Elizabeth **Community Bank®** branches

Contents

Chairman's report

For year ending 30 June 2009

The past 12 months have been quite an extraordinary period, in particular the impact of the Global Financial Crisis (GFC). We have seen many reputable institutions go into default, with major government intervention and a range of stimulus packages to restore consumer confidence throughout many countries. Fortunately in Australia our financial institutions are much more highly regulated, in comparison with most countries, but the impact of the GFC has affected us all, with many financial institution announcing of profit downgrades, over the past 12 months.

As a result our very own **Community Bank®** branches, have had a lower than budgeted profit for the 2008/2009 financial year with many factors being responsible. As the demand for funds increased globally the cost for these funds increased, coupled with the interest rates falling, resulting in a margin squeeze. Given the extreme circumstance of the past 12 months your **Community Bank®** branches overall have performed well. Especially when reflecting a 30% decrease in income revenue in the early part of the financial year, with the expectation it may get worse. To reverse the trend to almost achieving our forecasted budgets for the 2008/2009 financial year, was an outstanding result.

We are confident that the worst is coming to an end and Bendigo and Adelaide Bank Ltd is in a very strong position to take full advantage as the economy begins to recover. A credit to Bendigo and Adelaide Bank Ltd's management, focused on maintaining a very strong balance sheet, with no offshore activities, the GFC has not affected them to the same degree. They are very committed in maintaining quality assets on its balance sheet and coupled with outstanding management disciplines.

Performance

Virginia – footings have increased by 5% over the previous financial with growth proving a little more challenging during the 2008/2009 financial year.

Elizabeth – footings have increased by over 40% which we anticipate will continue in 2010.

Our combined footing for both branches was almost $130 million against being 96% of budgeted estimate, with the final results showing a similar profit to the previous year, after allowing for income tax. Overall this is a pleasing result when compared to many peers in the financial industry.

With the Board contributing a further $20,000 into Bendigo and Adelaide Bank Ltd's Community Enterprise Foundation™ in anticipation of a community project, this reserve has now grown to $70,000. Our customer base continues to grow now in excess of 5,000, as we continue to open on average of 50 new accounts monthly.

As a Board we struggle to find initiatives to continue to build banking business. This is where you as shareholders or customers have the opportunity to assist, encouraging friends, relatives or business associates to visit our branches. In saying this I am sure there are many shareholders that are yet to become customers.

Dividend

The Board has announced a fully franked dividend of three cents per share and this will be paid after our November Annual General Meeting.

Chairman's report continued

Virginia's 10th year anniversary

It was pleasing that many customers, shareholders, and staff attended the celebrations of our 10th year celebrations at the Playford Civic Centre. Judging by the many complements received the function was an outstanding success and many thanks to all those in attendance.

The role of our **Community Bank®** branches has changed over the past ten years; initially there was the need for a financial institution to provide banking needs with the convenience of being local so eliminating the need to travel. It has provided much, much, more, and quite often we take it for granted, but over those past ten years our branches have provided a sustainable source of income for many of our local not-for-profit organisations and sporting institutions, in some cases, providing that assistance to a number of communities beyond our local area. These funds are the profits derived from customers choosing to do their banking with our branches and as this awareness grows so will the contributions.

We are two **Community Bank®** branches in a network which now consists of more than 240 **Community Bank®** branches throughout every State of Australia, and in many cases provides much more than just banking. Through this sustainable source of income this has allowed many communities throughout Australia to build community infrastructure which otherwise could not have been possible. Quite often in some cases there are the opportunities where those funds can be leveraged through government federal, state and local to accomplish a greater outcome. This is evident throughout our **Community Bank®** branch network with grants sponsoring sporting complexes, retirement villages, hospital upgrades, etc.

Your Board, in consultation with community members, is encouraging the opportunity to identify local projects or needs within our communities. Our grants over the past ten years have now exceeded $500,000 with over $70,000 of sponsorships in the last financial year alone within our communities, and this is only growing.

As Chairman of the Board I would like to thank all my fellow Directors for their support and contribution throughout the past financial year. As is the case each year the retiring Directors are Leigh Hall, Tim Corrigan, and Martin Lindsell. Both Leigh Hall and Martin Lindsell offer themselves for re-election, unfortunately Tim Corrigan has decided not to seek re-election.

Robert Zerella has also decided to retire as a Director due to ill health. The Board thanks both Tim and Robert for their contribution throughout their tenure. Directorship on the Board is voluntary with no remuneration, I take this opportunity in thanking all my fellow Directors for their professionalism, loyalty, dedication and commitment to the many challenges that often confront us.

The Board acknowledges both our branch management and staff, in particular Alf Sobczak the CEO of both branches. In recognition of ten years of service, congratulations to Sharon, one of our Customer Service Officers and also to Dino Musolino and myself as Board members for ten years of service. The Board, its shareholders and all our customers appreciate and thank them all for their dedication and service through the year and for many to come.

Frank Tassone
Chairman

Senior Manager's report

For year ending 30 June 2009

Well here we are again with another year gone and a number of new hurdles in which we had to overcome.

Business growth for both branches was good considering the current issues with the Global Financial Market. Although the effect on our businesses was not great we did have clients moving funds out of superannuation and managed funds due to the reduced values. We also were affected by the Federal Government's Deposit Guarantee, where funds were also moved to ensure funds were protected without the need to pay a premium.

Virginia branch had growth of $4 million for the year and as at 30 June has total balances of $90 million. Although we were slightly short on our set target we did lose $1.8 million in financial planning for the year due to negative growth on portfolios and the moving of funds. Customer numbers remain steady at 3,100 with each customer holding an average of 1.718 accounts.

We had a better than expected net profit due to strict controls on our expenses. Income was down slightly due to tighter margins but overall a good result.

We have set a growth target of $8.1 million for 2009/2010 which we believe is achievable.

Elizabeth branch had growth of $11.0 million for the year and as at 30 June has total balances of $35 million. Again we were slightly short on our set target but not by much. The number of account holders increased by 348 for the year, to 1,550 with each customer holding an average of 1.686 accounts.

The net profit for Elizabeth branch was better than expected with the only minor negative movement being the margin Income.

We have set a growth target of $12 million for Elizabeth branch in 2009/2010. The reason why this is higher than Virginia's target is that the normal attrition of our balances is lower at Elizabeth due to the smaller size of the portfolio compared to Virginia.

It is good to note that 10 out of our 12 staff have been with us for more than three years.

Sharon Gliese is about to celebrate her ten year anniversary in line with Virginia & Districts **Community Bank®** Branch's ten year birthday on 30 July 2009.

I would like to extend a warm welcome to our newest staff member Kay Sheppard who has recently joined our team. Kay has had two years experience working within the financial services sector and will be an asset to our business.

Senior Manager's report continued

A list of our friendly staff is below:

Alf Sobczak – Senior Branch Manager (both sites)

Virginia & Districts **Community Bank®** Branch

Lynne Harding – Customer Service Supervisor

Rebecca Mills – Lending Officer

Sharon Gliese – Senior CSO

Deidrie Wallace – Senior CSO

Debra Peake – CSO

Kay Sheppard - CSO

Elizabeth **Community Bank®** Branch

Amie Casey – Assistant Branch Manager

Michelle Bristow – Senior CSO

Robyn Ward - CSO

Martine Herreen - CSO

Kylie Cleland - CSO

I would like to thank the staff, customers, Directors and the shareholders for their support of both branches. Without a combined effort by all involved it would make it impossible to achieve our goals.

It would also be impossible to support the local communities in the way that we do. More than $500,000 has been placed back into our local community over the past seven years through sponsorships, donations, dividends and services. This is a fantastic effort and everyone involved deserves to be praised, so well done!!

Finally I would just like to remind people why we opened our doors ten years ago. The **Community Bank®** concept was brought to Virginia and Elizabeth for a reason and to serve a purpose. It has served the local community well but ongoing support from all community members is the key to our ongoing success. So please spread the word and encourage everyone you know to do their banking at Virginia and Elizabeth **Community Bank®** branches.

Alf Sobczak

Senior Branch Manager

Directors' report

For year ending 30 June 2009

Your Directors submit the financial report of the Company for the financial year ended 30 June 2009.

Directors

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

Francesco Carlo Tassone
Chairman
Age: 58
Local business proprietor with over 40 years experience in the area. Diploma in Financial Markets, Affiliate member of the Australian Securities & Investment Institute. Bendigo and Adelaide Bank Ltd mentor to **Community Bank®** branches in South Australia. Appointed to the Bendigo Strategic Advisory Board as representative for South Australia & Northern Territory.

Leigh Kenneth Hall
Secretary
Age: 56
Corporate General Manager with UnitingCare Wesley Adelaide. Graduate Diploma in Applied Finance and Investments, FCPA. Previously worked in the Local Government, Banking and Manufacturing industries.

Dino Musolino
Director
Age: 48
Local businessman/owner operator. Currently Director of four other companies involved in the fruit and vegetable industry. Elected member of Playford Local Government for past 12 years. Chair of Community and Industry Boards, Member of Ausveg and Industry Boards.

Timothy James Corrigan
Director
Age: 48
Local business/owner operator. Frontline Management Marketing, Sales and Events. Past experience as store Manager for Woolworths Supermarkets and Foodland. Sales & Marketing, Virginia Horticultural Centre.

Dennis John Cook
Director
Age: 64
Product Support Specialist and State Manager for National Labour Hire Company. Managing Director of Gully Design Technology Pty Ltd and shareData Pty Ltd.

Martin David Lindsell
Director
Age: 65
Professional photographer, Public Relations Manager and Post Office. Involved with Local Government for 15 years - currently Mayor, City of Playford. President, Secretary, Treasurer of various sporting and community groups.

Directors' report continued

Luca Chesini
Director
Age: 28
Stonemason. Local business owner/operator with family having business in the area for over 20 years. Degree in Civil Engineering with Honours.

Michael Robert Mayes
Director (Appointed 9 February 2009)
Age: 33
Bachelor of Engineering, Civil Engineering with Honours. 11 years experience in design, estimating, finances, OH&S, project management, quality management and site supervisor within the construction industry.

Grace Trimboli
Director (Appointed 9 February 2009)
Age: 31
Local Government Project Officer. Bachelor English History majors. Post graduate studies in Media, Public Relations and Events. Frontline Management Certificate IV.

Robert James Zerella
Director (Resigned 1 July 2009)
Age: 69
Retired, former Managing Director of Zerella Holdings Pty Ltd. Currently patron of Central Districts Football Club and sponsor of the Junior Football Development Academy.

Jo Anne Hanrahan
Director (Resigned 9 February 2009)
Age: 50
Human Resource Officer at RAAF base Edinburgh.
Salisbury.

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

No Directors have material interests in contracts or proposed contracts with the Company.

Company Secretary

Leigh Hall was appointed to the position of Company Secretary of Adelaide Plains Financial Services Limited on 9 November 2007, following the resignation of Rodney Gibb. Corporate General Manager with UnitingCare Wesley Adelaide. Graduate Diploma in Applied Finance and Investments, FCPA. Previously worked in the Local Government, Banking and Manufacturing industries.

Principal activities

The principal activities of the Company during the course of the financial year were in facilitating **Community Bank®** services under management rights to operate franchised branches of Bendigo and Adelaide Bank Ltd.

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

Directors' report continued

Operating results

The recent global financial crisis has adversely impacted the stability of the international financial system. The current global financial crisis presents a challenge for all financial institutions, including Bendigo and Adelaide Bank Ltd and in turn Adelaide Plains Financial Services Limited. The duration and extent of the global financial crisis is still largely unknown and continuation of these conditions could adversely affect the ongoing financial performance or financial condition of the Company's business as franchisee of a **Community Bank®** branches.

The profit of the Company for the financial year after provision for income tax was:

Year ended 30 June 2009 $	Year ended 30 June 2008 $
60,313	89,037

Remuneration report

No Director or Secretary of the Company receives payment for services as a Director or committee member. There are no employees who are directly accountable and have responsibility for the strategic direction and operational management of the entity.

Dividends	Year ended 30 June 2009 Cents	$
Dividends paid in the year:		
- As recommended in the prior year report	3	58,951

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 report.

Matters subsequent to 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 except as disclosed in note 19 to the financial statements. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by Directors shown in the Company's accounts, or the fixed salary of a full-time employee of the Company, controlled entity or related body corporate.

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:

	Number of Board meetings eligible to attend	Number attended
Francesco Carlo Tassone	12	12
Leigh Kenneth Hall	12	11
Dino Musolino	12	11
Timothy James Corrigan	12	9
Dennis John Cook	12	11
Martin David Lindsell	12	9
Luca Chesini	12	7
Michael Robert Mayes (Appointed 9 February 2009)	12	8
Grace Trimboli (Appointed 9 February 2009)	12	8
Robert James Zerella (Resigned 1 July 2009)	12	2
Jo Anne Hanrahan (Resigned 9 February 2009)	12	-

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 Professional Statement F1, 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.

Auditors' independence declaration

A copy of the Auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 11.

Signed in accordance with a resolution of the Board of Directors at Virginia, South Australia on 25 September 2009.

Francesco Carlo Tassone
Chairman

Leigh Kenneth Hall
Secretary

Auditor's independence declaration

partners in success
Chartered Accountants & Business Advisors

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Lead Auditor's Independence Declaration under section 307C of the Corporations Act 2001 to the directors of Adelaide Plains Financial Services Limited

I declare that to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2009 there have been:

- no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

David Hutchings
Auditor

Andrew Frewin & Stewart
Bendigo Victoria

Dated this 30th day of September 2009

Liability limited by a scheme approved under Professional Standards Legislation

Financial statements

Income statement
For year ending 30 June 2009

	Note	2009 $	2008 $
Revenues from ordinary activities	3	1,166,673	1,109,197
Salaries and employee benefits expense	4	(581,027)	(544,009)
Charitable donations, sponsorship, advertising & promotion		(80,853)	(25,919)
Occupancy and associated costs		(153,836)	(152,451)
Systems costs		(41,747)	(43,661)
Finance costs	4	(2,603)	(2,392)
Depreciation and amortisation expense	4	(45,138)	(48,204)
Other expenses		(176,401)	(190,571)
Profit before income tax expense		**85,069**	**101,990**
Income tax expense	5	(24,756)	(12,953)
Profit for the period		**60,313**	**89,037**
Profit attributable to members of the entity		**60,313**	**89,037**

The accompanying notes form part of these financial statements.

Balance sheet
As at 30 June 2009

	Note	2009 $	2008 $
Current assets			
Cash assets	6	439,864	442,726
Trade and other receivables	7	99,778	124,098
Current tax assets	5	6,037	-
Total current assets		**545,679**	**566,824**
Non-current assets			
Property, plant and equipment	8	371,936	371,213
Intangible assets	9	34,858	53,515
Deferred tax assets	10	31,642	22,274
Total non-current assets		**438,436**	**447,002**
Total assets		**984,115**	**1,013,826**
Current liabilities			
Trade and other payables	11	38,213	52,577
Interest bearing liabilities	12	-	6,313
Current tax liabilities	5	-	31,496
Provisions	14	56,000	103,117
Total current liabilities		**94,213**	**193,503**
Non-current liabilities			
Trade and other payables	11	10,966	-
Interest bearing liabilities	12	-	19,457
Provisions	14	53,138	35,381
Total non-current liabilities		**64,104**	**54,838**
Total liabilities		**158,317**	**248,341**
Net assets		**825,798**	**765,485**
Equity			
Issued capital	15	628,458	628,458
Retained earnings	16	197,340	137,028
Total equity		**825,798**	**765,485**

The accompanying notes form part of these financial statements.

Statement of cash flows
As at 30 June 2009

	Note	2009 $	2008 $
Cash flows from operating activities			
Receipts from customers		1,320,524	1,191,178
Payments to suppliers and employees		(1,176,237)	(1,098,100)
Interest received		32,597	20,846
Interest & finance costs		(2,739)	(2,256)
Income taxes paid		(71,657)	(15,290)
Net cash provided by operating activities	**17**	**102,488**	**96,378**
Cash flows from investing activities			
Payments for property, plant and equipment		(49,777)	-
Proceeds from sale of property, plant and equipment		29,148	-
Payments for intangible assets		-	(60,000)
Net cash used in investing activities		**(20,629)**	**(60,000)**
Cash flows from financing activities			
Proceeds from issue of shares		-	(25,000)
Repayment of borrowings		(25,770)	(6,446)
Payment of share issue costs		-	(3,565)
Dividends paid		(58,951)	-
Net cash used in financing activities		**(84,721)**	**(35,011)**
Net increase/(decrease) in cash held		**(2,862)**	**1,367**
Cash at the beginning of the financial year		442,726	441,359
Cash at the end of the financial year	**6(a)**	**439,864**	**442,726**

The accompanying notes form part of these financial statements.

Statement of changes in equity
As at 30 June 2009

	Note	2009 $	2008 $
Total equity at the beginning of the period		765,485	735,399
Net profit for the period		60,313	89,037
Net income/expense recognised directly in equity		-	-
Total income and expense recognised by the entity for the year		**60,313**	**89,037**
Dividends provided for or paid		-	(58,951)
shares issued during period		-	-
Costs of issuing shares		-	-
Total equity at the end of the period		**825,798**	**765,485**

The accompanying notes form part of these financial statements.

Notes to the financial statements

For year ending 30 June 2009

Note 1. Summary of significant accounting policies

Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001.

Compliance with IFRS

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial statements and notes comply with International Financial Reporting Standards (IFRS). These financial statements and notes comply with IFRS.

Historical cost convention

The financial report has been prepared under the historical cost conventions 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.

Revenue

Interest and fee revenue is recognised when earned. All revenue is stated net of the amount of Goods and Services Tax (GST). 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.

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 ATO are classified as operation cash flows.

Note 1. Summary of significant accounting policies (continued)

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 tax 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 comprehensive 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 measurement of deferred tax liabilities reflects the tax consequences that would follow from the manner in which the consolidated 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 Company/consolidated 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 income statement, 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 excess.

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.

Intangibles

The cost of the Company's franchise fee has been recorded at cost and is amortised on a straight line basis at a rate of 20% per annum.

Cash

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.

Comparative figures

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

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 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 is reviewed at the end of each annual reporting period.

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

- leasehold improvements 40 years
- plant and equipment 2.5 - 40 years
- furniture and fittings 4 - 40 years

Notes to the financial statements continued

Note 1. Summary of significant accounting policies (continued)

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.

There are no estimates or assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Payment terms

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

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.

Borrowings

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

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 transactions 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.

Notes to the financial statements continued

Note 1. Summary of significant accounting policies (continued)

Financial instruments (continued)

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 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) Financial liabilities

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 income statement.

Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that is transferred to entities in the entity 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.

Note 1. Summary of significant accounting policies (continued)

Provisions

Provisions are recognised when the economic entity has a legal, equitable or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of past transactions 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.

Contributed equity

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.

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.

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.

(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 Ltd.

Note 2. Financial risk management (continued)

(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 Ltd mitigates this risk significantly.

(v) Cash flow and fair value interest rate risk

Interest-bearing assets are held with Bendigo and Adelaide Bank Ltd 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 Ltd 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.

(i) 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; and

(ii) 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 2009 can be seen in the Income Statement.

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

Notes to the financial statements continued

	2009 $	2008 $

Note 3. Revenue from ordinary activities

Operating activities		
- services commissions	1,024,260	952,190
- other revenue	20,716	20,072
Total revenue from operating activities	**1,044,976**	**972,262**
Non-operating activities:		
- interest received	20,903	36,208
- rental revenue	37,102	36,560
- other revenue	63,692	64,167
Total revenue from non-operating activities	**121,697**	**136,935**
Total revenue from ordinary activities	**1,166,673**	**1,109,197**

Note 4. Expenses

Employee benefits expense		
- wages and salaries	487,634	451,778
- superannuation costs	42,585	39,984
- fringe benefits tax	1,172	1,263
- workers' compensation costs	1,530	2,322
- other costs	48,106	48,662
	581,027	**544,009**
Depreciation of non-current assets:		
- plant and equipment	10,472	12,149
- leasehold improvements	16,009	17,394
Amortisation of non-current assets:		
- intangibles	18,657	18,661
	45,138	**48,204**
Finance costs:		
- Interest paid	2,603	2,392

Note 5. Income tax expense

	Note	2009 $	2008 $
The components of tax expense comprise:			
- Current tax		26,031	31,496
- Deferred tax on provisions		(9,368)	(22,274)
- Recoupment of prior year tax losses		-	-
- Future income tax benefit attributable to losses		-	-
- Under provision in respect to prior years		8,093	3,731
		24,756	**12,953**
The prima facie tax on profit before income tax is reconciled to the income tax expense as follows:			
Operating profit		85,069	101,990
Prima facie tax on profit from ordinary activities at 30%		25,521	30,597
Add tax effect of:			
- non-deductible expenses		1,199	1,200
- timing difference expenses		9,368	2,288
- investment allowance		(7,468)	-
- other deductible expenses		(2,589)	(2,589)
Current tax		26,031	31,496
Movement in deferred tax	10	(9,368)	(22,274)
Under provision in respect to prior years		8,093	3,731
		24,756	**12,953**
Tax assets			
Current tax refundable		**6,037**	**-**
Tax liabilities			
Current tax payable		**-**	**31,496**

	2009 $	2008 $

Note 6. Cash assets

	2009 $	2008 $
Cash at bank and on hand	101,434	32,750
Term deposits	338,430	409,976
	439,864	**442,726**
The above figures are reconciled to cash at the end of the financial year as shown in the statement of cashflows as follows:		
6(a) Reconciliation of cash		
Cash at bank and on hand	101,434	32,750
Term deposit	338,430	409,976
	439,864	**442,726**

Note 7. Trade and other receivables

	2009 $	2008 $
Trade debtors	96,115	116,368
Prepayments	3,663	7,730
	99,778	**124,098**

Note 8. Property, plant and equipment

	2009 $	2008 $
Leasehold improvements		
At cost	357,640	357,640
Less accumulated depreciation	(50,824)	(34,815)
	306,816	**322,825**
Plant and equipment and vehicles		
At cost	122,454	108,490
Less accumulated depreciation	(57,334)	(60,102)
	65,120	**48,388**
Total written down amount	**371,936**	**371,213**

	2009 $	2008 $

Note 8. Property, plant and equipment (continued)

Movements in carrying amounts

	2009 $	2008 $
Leasehold improvements		
Carrying amount at beginning of year	322,826	340,220
Additions	-	-
Disposals	-	-
Depreciation expense	(16,009)	(17,394)
Carrying amount at end of year	**306,817**	**322,826**
Plant and equipment and vehicles		
Carrying amount at beginning of year	48,387	60,536
Additions	49,777	-
Disposals	(22,573)	-
Depreciation expense	(10,472)	(12,149)
Carrying amount at end of year	**65,119**	**48,387**
Total written down amount	**371,936**	**371,213**

Note 9. Intangible assets

	2009 $	2008 $
Franchise fee		
At cost	70,000	70,000
Less accumulated amortisation	(65,500)	(61,505)
	4,500	**8,495**
Preliminary expenses		
At cost	129,392	129,392
Less accumulated amortisation	(99,034)	(84,372)
	30,358	**45,020**
Total intangible assets	**34,858**	**53,515**

Notes to the financial statements continued

	2009 $	2008 $

Note 10. Deferred tax

Deferred tax asset

Opening balance	22,274	-
Future income tax benefits attributable to losses	-	-
Recoupment of prior year tax losses	-	-
Deferred tax on provisions	9,368	22,274
Closing balance	**31,642**	**22,274**

Note 11. Trade and other payables

Current:

Trade creditors	11,636	4,208
Other creditors and accruals	26,577	48,369
	38,213	**52,577**
Non-current:		
Other creditors and accruals	**10,966**	**-**

Note 12. Interest bearing liabilities

Current:

Hire purchase liability	**-**	**6,313**
Non-current:		
Hire purchase liability	**-**	**19,457**

	2009 $	2008 $

Note 13. Hire purchase

	2009 $	2008 $
Hire purchase commitments		
Payable - minimum repayments		
• not later than 12 months	-	8,034
• between 12 months and 5 years	-	21,423
• greater than 5 years	-	-
Minimum repayments	**-**	**29,456**
Less future finance charges	-	(3,686)
Present value of minimum repayments payments	**-**	**25,770**

The Bendigo and Adelaide Bank Ltd hire purchase, which commenced in March 2007, is a five year hire purchase. Interest is recognised at an average rate of 7.83%. This hire purchase was settled during the financial year following the sale of the motor vehicle.

Note 14. Provisions

	2009 $	2008 $
Current:		
Provision for employees annual leave	56,000	44,166
Provision for dividend	-	58,951
	56,000	**103,117**
Non-current:		
Provision for employees long service leave	**53,138**	**35,381**
Number of employees at year end	**11**	**12**

Note 15. Contributed equity

	2009 $	2008 $
1,965,035 Ordinary shares fully paid (including bonus shares)	671,610	671,610
Less: equity raising expenses	(43,152)	(43,152)
	628,458	**628,458**

Note 15. Contributed equity (continued)

Rights attached to shares

(a) Voting rights

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

On a show of hands or a poll, each shareholder 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 shareholder and has also been appointed as proxy for another shareholder) that person may only exercise one vote on a show of hands. On a poll, that person may exercise one vote as a shareholder and one vote for each other shareholder that person represents as duly appointed attorney, corporate representative or proxy.

The purpose of giving each shareholder 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 shareholders 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 shareholders 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 Ltd 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.

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 234. As at the date of this report, the Company had 259 shareholders.

Note 15. Contributed equity (continued)

Prohibited shareholding interest (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 shareholder has a prohibited shareholding interest, it must serve a notice requiring the shareholder (or the shareholder'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, shareholders acknowledge and recognise that the exercise of the powers given to the Board may cause considerable disadvantage to individual shareholders, but that such a result may be necessary to enforce the prohibition.

Note 16. Retained earnings

	2009 $	**2008 $**
Balance at the beginning of the financial year	137,028	106,941
Net profit from ordinary activities after income tax	60,313	89,037
Dividends	-	(58,951)
	197,340	**137,028**

	2009 $	2008 $
Note 17. Cash flow statement		
Reconciliation of profit after tax to net cash provided by operating activities		
Profit after income tax	60,313	89,037
Non cash items		
- Depreciation	26,481	12,149
- Amortisation	18,657	18,661
- Loss on sale of non-current assets	4,391	-
Changes in assets and liabilities		
- (increase)/decrease in receivables	24,320	(59,033)
- increase/(decrease) in payables	(14,364)	(2,110)
- increase/(decrease) in provisions	29,591	22,616
- increase/(decrease) in tax provisions	(46,901)	(2,336)
Net cash flows provided by operating activities	**102,488**	**78,984**

Note 18. Auditors' remuneration

Amounts received or due and receivable by MGI Caulfield & Co Pty Ltd		
- audit & review services	-	1,480
- non audit services	-	-
	-	**1,480**
Amounts received or due and receivable by Andrew Frewin & Stewart for:		
- audit & review services	4,200	4,000
- non audit services	1,030	1,680
	5,230	**5,680**

Note 19. Director and related party disclosures

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

Francesco Carlo Tassone

Leigh Kenneth Hall

Dino Musolino

Timothy James Corrigan

Dennis John Cook

Martin David Lindsell

Luca Chesini

Michael Robert Mayes (Appointed 9 February 2009)

Grace Trimboli (Appointed 9 February 2009)

Robert James Zerella (Resigned 1 July 2009)

Jo Anne Hanrahan (Resigned 9 February 2009)

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

	2009 $	2008 $
Transactions with related parties:		
- Francessco Tassone is a partner in the partnership between IA & P Tassone Nominees Pty Ltd and The Trustee for the Virginia Trust which owns the property, Virginia Shopping Centre, where the Virginia Branch, Shop 7, is located and collected rental income and outgoings from the Company during the financial year to the value of	44,099	42,060
- Dennis Cook is the Managing Director of shareData Pty Ltd which provided share registry services to the Company during the financial year to the value of	2,712	-

No Directors' fees have been paid as the positions are held on a voluntary basis.

Note 19. Director and related party disclosures (continued)

Directors' shareholdings	2009	2008
Francesco Carlo Tassone	106,000	106,000
Leigh Kenneth Hall	1	1
Dino Musolino	45,000	45,000
Timothy James Corrigan	5,000	5,000
Dennis John Cook	26,550	26,550
Martin David Lindsell	1	1
Luca Chesini	1	1
Michael Robert Mayes	22,500	-
Grace Trimboli	2,250	-
Robert James Zerella	1	1
Jo Anne Hanrahan	1	1

There was no movement in Directors' shareholdings during the year.

Note 20. Dividends paid or provided for on ordinary shares

	2009 $	2008 $
(a) Dividends proposed and recognised as a liability		
Franked dividends - Nil cents per share (2008: 3 cents)	-	58,951
(b) Franking credit balance		
The amount of franking credits available for the subsequent financial year are:		
• Franking account balance as at the beginning of the financial year at 30%	92,470	102,445
• Franking credits that will arise from the payment of income taxes during the financial year	71,657	15,290
• Franking credits attributable to payment of proposed dividend, fully franked	-	(25,265)
	164,127	**92,470**

The tax rate at which dividends have been franked is 30% (2008: 30%).

Dividends proposed will be franked at a rate of 30% (2008: 30%).

Notes to the financial statements continued

Note 21. 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 22. Subsequent events

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

Note 23. Contingent liabilities

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

Note 24. Segment reporting

The economic entity operates in the service sector where it facilitates **Community Bank®** services pursuant to a franchise agreement with Bendigo and Adelaide Bank Ltd. The economic entity operates in one geographic area being the Adelaide Plains district, South Australia.

Note 25. Registered office/principal place of business

The registered office and principal place of business is:

Registered office
20D William Street,
Norwood SA 5067

Principal place of business
Virginia Shopping Centre,
Shop 7/Old Port Wakefield Road,
Virginia SA 5112

Shop 1/3 Elizabeth Way,
Elizabeth SA 5112

Note 26. Financial instruments

Net fair values

The net fair values of financial assets and liabilities approximate the carrying values as disclosed in the Statement of Financial Position. The Company does not have any unrecognised financial instruments at 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 Statement of Financial Position 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

Financial instrument	Floating interest rate		Fixed interest rate maturing in						Non interest bearing		Weighted average effective interest rate	
			1 year or less		Over 1 to 5 years		Over 5 years					
	2009 $	2008 $	2009 $	2008 $	2009 $	2008 $	2009 $	2008 $	2009 $	2008 $	2009 %	2008 %
Financial assets												
Cash assets	101,434	32,750	-	-	-	-	-	-	-	-	0.5	0.5
Term deposits	338,430	409,975	-	-	-	-	-	-	-	-	6.4	6.3
Receivables		-	-	-	-	-	-	-	99,778	124,098	N/A	N/A
Financial liabilities												
Interest bearing liabilities	-	-	-	-	-	25,770	-	-	-	-	7.8	7.8
Trade & other payables	-	-	-	-	-	-	-	-	49,179	52,577	N/A	N/A

Directors' declaration

In accordance with a resolution of the Directors of Adelaide Plains 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 2009 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 AASB174 Related Party Disclosures and the Corporations Regulations 2001.

This declaration is made in accordance with a resolution of the Board of Directors.

Francesco Carlo Tassone
Chairman

Leigh Kenneth Hall
Secretary

Signed on 25 September 2009.

AFS
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Chartered Accountants & Business Advisors

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INDEPENDENT AUDITOR'S REPORT

To the members of Adelaide Plains Financial Services Limited

We have audited the accompanying financial statements of Adelaide Plains Financial Services Limited, which comprise the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The Directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In note 1, the directors also state in accordance with the Accounting Standard AASB 101 Presentation of Financial Statements that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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

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

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

Independence

In conducting our audit we have met the independence requirements of the Corporations Act 2001. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report. In addition to our audit of the financial report and the remuneration disclosures, we were engaged to undertake the services disclosed in the notes to the financial statements. The provision of these services has not impaired our independence.

Auditor's Opinion on the Financial Report

In our opinion:

1) The financial report of Adelaide Plains Financial Services Limited is in accordance with the Corporations Act 2001 including

   (a) giving a true and fair view of the company's financial position as at 30 June 2009 and of its financial performance and its cash flows for the year then ended and;

   (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001 and;

2) The financial statements and notes also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2009. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion, the Remuneration Report of Adelaide Plains Financial Services Limited for the year ended 30 June 2009, complies with section 300A if the Corporations Act 2001.

DAVID HUTCHINGS

ANDREW FREWIN & STEWART
61-65 Bull Street Bendigo 3550

Dated this day 30th of September 2009

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Old Port Wakefield Road, Virginia SA 5120
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Elizabeth **Community Bank®** Branch
Shop 1, 3 Elizabeth Way, Elizabeth SA 5112
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