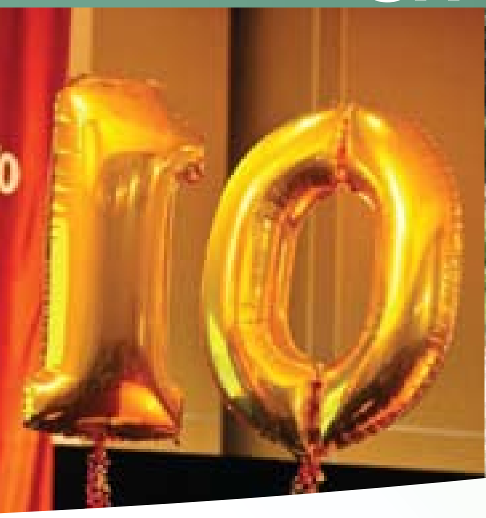
annual report 2010




Adelaide Plains Financial Services Limited

ABN 50 088 304 581

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

Contents

Chairman’s report

For year ending 30 June 2010

I am pleased to inform you the trend indicated in my December 2009 report showing a marked improvement in our profit has continued, and after a full 12 months to July 2010 we have produced a profit before tax in excess of $224,000. Remarkably this represents almost a 250% increase over our 2008/2009 financial year during which we had the GFC and extreme uncertainty in all financial markets world wide.

Performance

Virginia – footings have only marginally increased over the previous year up by 5%, with quite a substantial portfolio, growth continues to be challenging. The Board has implemented some structural changes in the management, with Alf Sobczak now to concentrate on growth at the Virginia branch. We are confident that these changes implemented will provide Alf with a greater opportunity in the local area producing, an increase in future growth.

Elizabeth – footings have continued to grow by almost 40% over the previous 12 months and is now achieving surplus income monthly. As a result of our structural changes, Amie Casey has been promoted as the Branch Manager for Elizabeth branch. This will provide the opportunity to encompass growth in the Playford area.

The combined footings for both branches is now well in excess of $140 million in loans and deposits business. Overall this is a pleasing result, and a credit to your dedicated and loyal staff who often win the business on service, and integrity. With Elizabeth now in positive cash flow, the Company’s future will be in growth opportunities and as our profit increases so will the community contributions and rewards to our shareholders. We currently have in excess of $122,000 in Community Enterprise Foundation™ reserves held for funding community projects. In order to encourage community participation, we will soon be inviting applicants for grants, as also, during the past financial year, your two **Community Bank®** branches have funded a number of community events and many sponsorships totalling in excess of $70,000, which we expect will continue to grow. This is all possible, only because community member, being shareholders and customers, choose to do their banking at the Virginia or Elizabeth **Community Bank®** branches.

Dividend

The Board has announced a fully franked dividend of 5 cents to be paid after our November AGM.

Directors

The Directors retiring by rotation at this AGM are Dino Musolino and Dennis Cook, however both have renominated and offer themselves for re-election. Directorship on the Board is voluntary with no remuneration. Directors volunteer their time, experience and expertise for the betterment of our community. I take this opportunity to thank all my fellow Directors for their loyalty, dedication, commitment. I also thank their immediate families for their support.

Chairman's report continued

Management and staff

The Board also acknowledges our continued growth is attributed to our loyal and dedicated staff, their outstanding service to all our customers, and in particular the outstanding services offered at both our branches; in particular Alf Sobczak our Senior Branch Manager.

Frank Tassone
Chairman

Senior Manager's report

For year ending 30 June 2010

A very successful year has been achieved for Adelaide Plains Financial Services Limited even though the effects of the global financial crisis are still being felt.

Business growth for both branches was very good considering the current climate with total growth of $15.3 million achieved across our two sites.

Virginia& Districts **Community Bank®** Branch once again achieved growth of $4 million for the year and as at 30 June had total balances of $94 million.

We had a better than expected net profit due to strict controls on our expenses which were under budget by $21,000 with our income exceeding expectations by $30,000.

Elizabeth **Community Bank®** Branch had growth of $11.3 million for the year and as at 30 June had total balances of $46.1 million. This is a fantastic effort for a branch that has started from nothing and had to build a foundation and grow in an area that has substantial competition and employment hurdles.

The net profit for Elizabeth **Community Bank®** Branch was also better than expected, exceeding its budget by $80,000 which was attributed to strong management and a strong commitment from all staff.

During the year we employed two new staff members and I would like to take this opportunity to welcome Katie Tanner – Customer Service Officer at Elizabeth **Community Bank®** Branch and Kate Hudson – Customer Service Officer at Virginia& Districts **Community Bank®** Branch. Both have been an asset to our business and have developed a great relationship with the existing staff as well as our customers.

I would also like to thank the staff, customers, Directors and the shareholders for their support over the past 12 months. Without a solid contribution from all involved we would not have been able to achieve such great results.

I would like to finish by saying that for our team to have achieved a total book value of $140 million in 11 years is a fantastic effort. We have also put funds back into our local community of more than $600,000 and made a major investment in the community when we opened our second site at Elizabeth. Further funds will be made available for major grants in our local communities over the next 12 months.

In order for us to continue in the same direction we have been going over the past 11 years, it is so important that we maintain and increase our support through friends and families of those who have experienced the Virginia & Districts **Community Bank®** Branch and Elizabeth **Community Bank®** Branch way of doing business.

At the Bendigo it's all about 'Good for Business, Good for Community and it starts with U!'

Alf Sobczak

Senior Branch Manager

Directors' report

For the financial year ended 30 June 2010

Your directors submit the financial statements of the company for the financial year ended 30 June 2010.

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: 59
Local business proprietor with over 40 years experience in the area. Diploma in Financial Markets, Affiliate member of the Australian Securities & Investment Institute. Bendigo Bank mentor to **Community Bank®** branches in South Australia & Northern Territory. Appointed to the Bendigo Strategic Advisory Board as representative for South Australia & Northern Territory.

Leigh Kenneth Hall
Secretary
Age: 57
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: 49
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.

Dennis John Cook
Director
Age: 65
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: 66
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.

Michael Robert Mayes
Director
Age: 34
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.

Directors' report continued

Grace Trimboli
Director
Age: 32
Local Government Project Officer. Over 14 years experience in various areas of Local Government working in the fields of Media, Marketing, Public Relations, Event Management, Learning and Employment, Library and Historical Museum Management. Bachelor of Arts Degree: (majoring in History and English). Postgraduate studies: Certificate IV in Frontline Management, Media and Public Relations, Media Crisis Management, Festival and Event Design Management and Community Engagement.

Timothy James Corrigan
Director (Resigned 20 November 2009)
Age: 49
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.

Luca Chesini
Director (Resigned 25 November 2009)
Age: 29
Stonemason. Local business owner/operator with family having business in the area for over 20 years. Degree in Civil Engineering with Honours.

Robert James Zerella
Director (Resigned 1 July 2009)
Age: 70
Retired, former Managing Director of Zerella Holdings Pty Ltd. Currently patron of Central Districts Football Club and sponsor of the Junior Football Development Academy.

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. Leigh is the Corporate General Manager with UnitingCare Wesley Adelaide. He has a Graduate Diploma in Applied Finance and Investments, FCPA and 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 a franchised branch of Bendigo and Adelaide Bank Limited.

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

Directors' report continued

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 2010 $	Year ended 30 June 2009 $
	160,852	60,313

Remuneration Report

(a) Remuneration of Directors

All Directors of the Company are on a voluntary basis, therefore no remuneration guidelines have been prepared.

(b) Remuneration of Branch Managers

The Board is reponsible for the determination of remuneration packages and policies applicable to the Branch Manager and all the staff. The Branch Manager is invited to the Board meetings as required to discuss performance and remuneration packages.

The Board's policy in respect of the branch manager is to maintain remuneration at parity within the **Community Bank®** network and local market rates for comparable roles.

There are no executives who are directly accountable and responsible for the strategic direction and operational management of the entity. This is wholly a board role. There are therefore no Specified Executives.

	Year Ended 30 June 2010	
Dividends	**Cents**	**$**
Dividends paid in the year:	3.00	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 statements.

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' 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:

	Board Meetings Attended	
	Eligible	Attended
Francesco Carlo Tassone	10	10
Leigh Kenneth Hall	10	9
Dino Musolino	10	9
Dennis John Cook	10	7
Martin David Lindsell	10	7
Michael Robert Mayes	10	9
Grace Trimboli	10	8
Timothy James Corrigan (Resigned 20 November 2009)	3	3
Luca Chesini (Resigned 25 November 2009)	3	-
Robert James Zerella (1 July 2009)	-	-

The Board has sub-committees for Finance and Audit, Governance and Human Resources, Marketing and Sponsorship, Share Registry and Newsletter. The sub-committees met on an as needed basis during the financial year and report to the Board meetings as required.

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.

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 10.

Signed in accordance with a resolution of the board of directors at Virginia, South Australia on 27 September 2010.

Francesco Carlo Tassone,	**Leigh Kenneth Hall,**
Chairman	**Director**

Auditor's independence declaration

Chartered Accountants & Business Advisors

PO Box 454
Bendigo VIC 3552
61-65 Bull Street
Bendigo VIC 3550
Phone (03) 5443 0344
Fax (03) 5443 5304
afs@afsbendigo.com.au
www.afsbendigo.com.au
ABN 51 061 795 337

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 2010 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
ANDREW FREWIN & STEWART
61-65 Bull Street, Bendigo, 3550

Dated this 27th day of September 2010

Liability limited by a scheme approved under Professional Standards Legislation

Financial statements

Statement of Comprehensive Income
for the year ended 30 June 2010

	Note	2010 $	2009 $
Revenues from ordinary activities	4	1,360,346	1,166,674
Employee benefits expense		(604,166)	(581,027)
Charitable donations, sponsorship, advertising and promotion		(131,933)	(80,853)
Occupancy and associated costs		(156,929)	(153,836)
Systems costs		(40,394)	(41,747)
Depreciation and amortisation expense	5	(52,855)	(45,138)
Finance costs	5	-	(2,603)
General administration expenses		(149,491)	(176,401)
Profit before income tax expense		**224,578**	**85,069**
Income tax expense	6	(63,726)	(24,756)
Profit after income tax expense		**160,852**	**60,313**
Total comprehensive income for the year		**160,852**	**60,313**

Earnings per share (cents per share)		**c**	**c**
- basic for profit for the year	22	8.19	3.07
- dividends paid per share	20	3	3

The accompanying notes form part of these financial statements.

Balance sheet
as at 30 June 2010

	Note	2010 $	2009 $
ASSETS			
Current Assets			
Cash and cash equivalents	7	573,418	439,864
Trade and other receivables	8	133,868	99,778
Current tax assets	6	-	6,037
Total Current Assets		**707,286**	**545,679**
Non-Current Assets			
Property, plant and equipment	9	359,261	371,936
Intangible assets	10	28,064	34,858
Deferred tax assets	11	33,243	31,642
Total Non-Current Assets		**420,568**	**438,436**
Total Assets		**1,127,854**	**984,115**
LIABILITIES			
Current Liabilities			
Trade and other payables	12	45,857	38,213
Current tax liabilities	11	28,778	-
Provisions	13	80,398	56,000
Total Current Liabilities		**155,033**	**94,213**
Non-Current Liabilities			
Trade and other payables	12	10,966	10,966
Provisions	13	34,156	53,138
Total Non-Current Liabilities		**45,122**	**64,104**
Total Liabilities		**200,155**	**158,317**
Net Assets		**927,699**	**825,798**
Equity			
Issued capital	14	628,458	628,458
Retained earnings	15	299,241	197,340
Total Equity		**927,699**	**825,798**

The accompanying notes form part of these financial statements.

Statement of Changes in Equity
for the year ended June 2010

	Issued Capital $	Retained Earnings $	Total Equity $
Balance at 1 July 2008	**628,458**	**137,027**	**765,485**
Total comprehensive income for the year	**-**	**60,313**	**60,313**
Transactions with owners in their capacity as owners:			
Shares issued during period	-	-	-
Costs of issuing shares	-	-	-
Dividends provided for or paid	-	-	-
Balance at 30 June 2009	**628,458**	**197,340**	**825,798**
Balance at 1 July 2009	**628,458**	**197,340**	**825,798**
Total comprehensive income for the year	**-**	**160,852**	**160,852**
Transactions with owners in their capacity as owners:			
Shares issued during period	-	-	-
Costs of issuing shares	-	-	-
Dividends provided for or paid	-	(58,951)	(58,951)
Balance at 30 June 2010	**628,458**	**299,241**	**927,699**

The accompanying notes form part of these financial statements.

Statement of Cashflows
for the year ended 30 June 2010

	Note	2010 $	2009 $
Cash Flows From Operating Activities			
Receipts from customers		1,451,053	1,320,524
Payments to suppliers and employees		(1,214,347)	(1,176,237)
Interest received		19,698	32,597
Interest paid		-	(2,739)
Income taxes paid		(30,512)	(71,657)
Net cash provided by operating activities	**16**	**225,892**	**102,488**
Cash Flows From Investing Activities			
Payments for property, plant and equipment		(22,176)	(49,777)
Proceeds from sale of property, plant and equipment		-	29,148
Payments for intangible assets		(11,211)	-
Net cash used in investing activities		**(33,387)**	**(20,629)**
Cash Flows From Financing Activities			
Repayment of borrowings		-	(25,770)
Dividends paid		(58,951)	(58,951)
Net cash used in financing activities		**(58,951)**	**(84,721)**
Net increase/(decrease) in cash held		**133,554**	**(2,862)**
Cash and cash equivalents at the beginning of the financial year		439,864	442,726
Cash and cash equivalents at the end of the financial year	**7(a)**	**573,418**	**439,864**

The accompanying notes form part of these financial statements.

Notes to the financial statements

For year ended 30 June 2010

Note 1. Summary of Significant Accounting Policies

a) Basis of Preparation

These general purpose financial statements has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standard Boards, and the Corporations Act 2001.

Compliance with IFRS

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

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.

Financial statement presentation

The company has applied revised AASB 101 Presentation of Financial Statements which became effective on 1 January 2009. The company has elected to present all items of income and expense recognised in the period in a single statement of comprehensive income.

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.

Notes to the financial statements continued

Note 1. Summary of Significant Accounting Policies (continued)

a) Basis of Preparation (continued)

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®** branches at Virginia and Elizabeth, South Australia.

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

All deposits are made with Bendigo Bank, and all personal and investment products are products of Bendigo Bank, 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 Bank, must be approved by Bendigo Bank. All credit transactions are made with Bendigo Bank, and all credit products are products of Bendigo Bank.

Bendigo Bank 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; and
- 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 benefit 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).

Note 1. Summary of Significant Accounting Policies (continued)

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 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 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 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 excess.

Note 1. Summary of Significant Accounting Policies (continued)

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 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

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.

Note 1. Summary of Significant Accounting Policies (continued)

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.

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 statement of comprehensive income.

Note 1. Summary of Significant Accounting Policies (continued)

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 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) 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.

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.

(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.

Note 2. Financial Risk Management (continued)

(vi) Capital management (continued)

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 2010 can be seen in the statement of comprehensive income.

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

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 un-recouped 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.

Note 3. Critical Accounting Estimates and Judgements (continued)

Taxation (continued)

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, hence there is 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 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.

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the company's share of the net identifiable assets of the acquired branch/agency at the date of acquisition. Goodwill on acquisition is included in intangible assets. Goodwill is not amortised. Instead, goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

The calculations require the use of assumptions.

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 asset does not generate cash flows that are independent from other assets, the consolidated 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.

Note 3. Critical Accounting Estimates and Judgements (continued)

Impairment of assets (continued)

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.

	2010 $	2009 $

Note 4. Revenue from Ordinary Activities

Operating activities:		
- services commissions	1,211,916	1,024,261
- other revenue	1,777	20,716
Total revenue from operating activities	**1,213,693**	**1,044,977**
Non-operating activities:		
- interest received	19,773	20,903
- rental revenue	37,713	37,102
- other revenue	89,167	63,692
Total revenue from non-operating activities	**146,653**	**121,697**
Total revenues from ordinary activities	**1,360,346**	**1,166,674**

Note 5. Expenses

Depreciation of non-current assets:		
- plant and equipment	20,044	10,472
- leasehold improvements	14,806	16,009

	Note	2010 $	2009 $
Note 5. Expenses (continued)			
Amortisation of non-current assets:			
- franchise agreement		18,005	18,657
		52,855	**45,138**
Finance costs:			
- interest paid		**-**	**2,603**
Bad debts		2,005	5,825

Note 6. Income Tax Expense

	Note	2010 $	2009 $
The components of tax expense comprise:			
- Current tax		66,530	26,031
- Movement in deferred tax		(1,601)	(9,368)
- Under/(Over) provision of tax in the prior period		(1,203)	8,093
		63,726	**24,756**
The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:			
Operating profit		224,578	85,069
Prima facie tax on profit from ordinary activities at 30%		67,373	25,521
Add tax effect of:			
- non-deductible expenses		880	1,199
- timing difference expenses		1,603	9,368
- investment allowance		(3,326)	(7,468)
- other deductible expenses		-	(2,589)
		66,530	**26,031**
Movement in deferred tax	11	(1,601)	(9,368)
Under/(Over) provision of income tax in the prior year		(1,203)	8,093
		63,726	**24,756**

Notes to the financial statements continued

	2010 $	2009 $
Note 7. Cash and Cash Equivalents		
Cash at bank and on hand	136,486	101,434
Term deposits	436,932	338,430
	573,418	**439,864**
The above figures are reconciled to cash at the end of the financial year as shown in the statement of cashflows as follows:		
Note 7.(a) Reconciliation of cash		
Cash at bank and on hand	136,486	101,434
Term deposits	436,932	338,430
	573,418	**439,864**

Note 8. Trade and Other Receivables

Trade receivables	126,462	92,447
Other receivables and accruals	3,743	3,668
Prepayments	3,663	3,663
	133,868	**99,778**

Note 9. Property, Plant and Equipment

Plant and equipment		
At cost	144,630	122,454
Less accumulated depreciation	(77,378)	(57,334)
	67,252	**65,120**
Leasehold improvements		
At cost	357,640	357,640
Less accumulated depreciation	(65,631)	(50,824)
	292,009	**306,816**
Total written down amount	**359,261**	**371,936**

	2010 $	2009 $

Note 9. Property, Plant and Equipment (continued)

Movements in carrying amounts:

	2010 $	2009 $
Plant and equipment		
Carrying amount at beginning	65,119	48,387
Additions	22,177	49,777
Disposals	-	(22,573)
Less: depreciation expense	(20,044)	(10,472)
Carrying amount at end	**67,252**	**65,119**
Leasehold improvements		
Carrying amount at beginning	306,817	322,826
Additions	-	-
Disposals	-	-
Less: depreciation expense	(14,808)	(16,009)
Carrying amount at end	**292,009**	**306,817**
Total written down amount	**359,261**	**371,936**

Note 10. Intangible Assets

	2010 $	2009 $
Franchise fee		
At cost	81,211	70,000
Less: accumulated amortisation	(69,555)	(65,500)
	11,656	**4,500**
Preliminary expenses		
At cost	129,392	129,392
Less: accumulated amortisation	(112,984)	(99,034)
	16,408	**30,358**
Total written down amount	**28,064**	**34,858**

	2010 $	2009 $

Note 11. Tax

	2010 $	2009 $
Current:		
Income tax payable/(Refundable)	28,778	(6,037)
Non-Current:		
Deferred tax assets		
- accruals	-	-
- employee provisions	34,367	32,742
	34,367	**32,742**
Deferred tax liability		
- accruals	1,124	1,100
- deductible prepayments	-	-
	1,124	**1,100**
Net deferred tax asset/(liability)	**33,243**	**31,642**
Movement in deferred tax charged to statement of comprehensive income	**(1,601)**	**(9,368)**

Note 12. Trade and Other Payables

	2010 $	2009 $
Current:		
Trade creditors	3,690	11,636
Other creditors and accruals	42,167	26,577
	45,857	**38,213**
Non-Current:		
Other creditors and accruals	10,966	10,966
	10,966	**10,966**

	2010 $	2009 $

Note 13. Provisions

	2010 $	2009 $
Current:		
Provision for annual leave	51,405	56,000
Provision for long service leave	28,993	-
	80,398	**56,000**
Non-Current:		
Provision for long service leave	**34,156**	**53,138**
Number of employees at year end	12	11

Note 14. Contributed Equity

	2010 $	2009 $
1,965,035 Ordinary shares fully paid (2009: 1,965,035)	671,610	671,610
Less: equity raising expenses	(43,152)	(43,152)
	628,458	**628,458**

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®** 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).

Note 14. Contributed Equity (continued)

Rights attached to shares

(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 285 shareholders.

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.

	2010 $	2009 $

Note 15. Retained Earnings

	2010 $	2009 $
Balance at the beginning of the financial year	197,340	137,027
Net profit from ordinary activities after income tax	160,852	60,313
Dividends paid or provided for	(58,951)	-
Balance at the end of the financial year	**299,241**	**197,340**

Note 16. Statement of Cashflows

Reconciliation of profit from ordinary activities after tax to net cash provided by operating activities

	2010 $	2009 $
Profit from ordinary activities after income tax	160,852	60,313
Non cash items:		
- depreciation	34,850	26,481
- amortisation	18,005	18,657
- loss on sale of non-current assets	-	4,391
Changes in assets and liabilities:		
- (increase)/decrease in receivables	(34,090)	24,320
- (increase)/decrease in other assets	(1,601)	(9,368)
- increase/(decrease) in payables	7,645	(14,364)
-increase/(decrease) in provisions	5,416	29,591
-increase/(decrease) in current tax liabilities	34,815	(37,533)
Net cashflows provided by operating activities	**225,892**	**102,488**

Note 17. Leases

Operating lease commitments

	2010 $	2009 $
Non-cancellable operating leases contracted for but not capitalised in the financial statements		
Payable - minimum lease payments		
- not later than 12 months	124,769	123,994
- between 12 months and 5 years	499,076	499,076
- greater than 5 years	190,976	-
	814,821	**623,070**

Note 17. Leases (continued)

The company holds non-cancellable leases for each of the branch locations. The Virginia branch is a ten year term and the Elizabeth branch a five year term. Both leases have options for additional terms. Rent is payable on a monthly basis.

	2010 $	2009 $

Note 18. Auditors' Remuneration

Amounts received or due and receivable by the auditor of the company for:

	2010 $	2009 $
- audit and review services	4,500	4,200
- non audit services	1,130	1,030
	5,630	**5,230**

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

Dennis John Cook

Martin David Lindsell

Michael Robert Mayes

Grace Trimboli

Timothy James Corrigan (Resigned 20 November 2009)

Luca Chesini (Resigned 25 November 2009)

Robert James Zerella (1 July 2009)

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

Transactions with related parties:

	2010 $	2009 $
- 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	46,969	44,099

	2010 $	2009 $

Note 19. Director and Related Party Disclosures (continued)

Transactions with related parties:

- 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	3,076	2,712

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

Directors Shareholdings	**2010**	**2009**
Francesco Carlo Tassone	106,000	106,000
Leigh Kenneth Hall	1	1
Dino Musolino	45,000	45,000
Dennis John Cook	26,550	26,550
Martin David Lindsell	1	1
Michael Robert Mayes	22,500	22,500
Grace Trimboli	2,250	2,250
Timothy James Corrigan (Resigned 20 November 2009)	5,000	5,000
Luca Chesini (Resigned 25 November 2009)	1	1
Robert James Zerella (1 July 2009)	1	1

There was no movement in directors shareholdings during the year.

Note 20. Dividends Paid or Provided

a. Dividends paid during the year

Prior year final dividend		
100% (2009: 100%) franked dividend - 3 cents (2009: 3 cents) per share	**58,951**	**58,951**

The tax rate at which dividends have been franked is 30% (2009: 30%).

Dividends proposed will be franked at a rate of 30% (2009: 30%).

Note 20. Dividends Paid or Provided (continued)

b. Franking account balance

	2010 $	2009 $
Franking credits available for subsequent reporting periods are:		
- franking account balance as at the end of the financial year	153,393	148,146
- franking credits that will arise from payment of income tax payable as at the end of the financial year	28,778	(6,037)
- franking debits that will arise from the payment of dividends recognised as a liability at the end of the financial year	-	-
Franking credits available for future financial reporting periods:	182,171	142,109
- 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	**182,171**	**142,109**

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. Earnings Per Share

	2010 $	2009 $
(a) Profit attributable to the ordinary equity holders of the company used in calculating earnings per share	160,852	60,313

	2010 Number	2009 Number
(b) Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	1,965,035	1,965,035

Note 23. Events Occurring After the Balance Sheet Date

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

Note 24. Contingent Liabilities

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

Note 25. Segment Reporting

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

Note 26. Registered Office/Principal Place of Business

The registered office and principal place of business is:

Registered Office	Principal Place of Business
20D William Street	Virginia Shopping Centre
Norwood SA 5067	Shop 7/ Old Port Wakefield Road
	Virginia SA 5112
	Shop 1/3 Elizabeth Way
	Elizabeth SA 5112

Note 27. Financial Instruments

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.

Note 27. Financial Instruments (continued)

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					
	2010 $	2009 $	2010 $	2009 $	2010 $	2009 $	2010 $	2009 $	2010 $	2009 $	2010 %	2009 %
Financial Assets												
Cash and cash equivalents	136,486	101,434	436,932	338,430	-	-	-	-	-	-	3.89	4.55
Receivables	-	-	-	-	-	-	-	-	133,868	99,778	N/A	N/A
Financial Liabilities												
Payables	-	-	-	-	-	-	-	-	56,823	49,179	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 2010 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,	**Leigh Kenneth Hall,**
Chairman	**Director**

Signed on the 27th of September 2010.

Independent audit report

Chartered Accountants & Business Advisors

PO Box 454
Bendigo VIC 3552
61-65 Bull Street
Bendigo VIC 3550
Phone (03) 5443 0344
Fax (03) 5443 5304
afs@afsbendigo.com.au
www.afsbendigo.com.au
ABN 51 061 795 337

INDEPENDENT AUDITOR'S REPORT

To the members of Adelaide Plains Financial Services Limited

We have audited the accompanying financial report of Adelaide Plains Financial Services Limited, which comprises the balance sheet as at 30 June 2010, statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes and the Directors' Declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and 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 fair 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 statements comply 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 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 complied with 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 giving a true and fair view of the company's financial position as at 30 June 2010 and of its financial performance and its cash flows for the year then ended and complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

2) The financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Report on the Remuneration Report

We have audited the Remuneration Report included in the Directors' Report for the year ended 30 June 2010. 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 2010, complies with section 300A of the Corporations Act 2001.

DAVID HUTCHINGS
ANDREW FREWIN & STEWART
61-65 Bull Street, Bendigo, 3550

Dated this 27th day of September 2010

Elizabeth **Community Bank**® Branch
Shop 1, 3 Elizabeth Way, Elizabeth SA 5112
Phone: (08) 8255 7713

Virginia & Districts **Community Bank**® Branch
Shop 7, Virginia Shopping Centre,
Old Port Wakefield Road, Virginia SA 5120
Phone: (08) 8380 8491

Franchisee: Adelaide Plains Financial Services Limited
20D William Street, Norwood SA 5067
Phone: (08) 8380 8830
ABN: 50 088 304 581

This Annual Report has been printed on 100% Recycled Paper

www.bendigobank.com.au/virginia_elizabeth
Bendigo and Adelaide Bank Limited,
The Bendigo Centre, Bendigo VIC 3550
ABN 11 068 049 178. AFSL 237879.
(BMPAR10047) (08/10)

Bendigo Bank