

# 2008 annual report



# Contents

---

<b>Chairman's report</b>	<b>2</b>
<b>Manager's report</b>	<b>3</b>
<b>Bendigo Bank Ltd report</b>	<b>4</b>
<b>Directors' report</b>	<b>5-11</b>
<b>Financial statements</b>	<b>12-15</b>
<b>Notes to the financial statements</b>	<b>16-30</b>
<b>Directors' declaration</b>	<b>31</b>
<b>Independent audit report</b>	<b>32-33</b>
<b>BSX report</b>	<b>34-35</b>

# Chairman's report

---

## For year ending 30 June 2008

The Company's 2007/08 financial year was one of solid business growth which is reflected in the results highlights. Sales revenue and operating revenue was up 24% to \$367,000 with the net profit after tax up 132% to \$16,000. Cash earnings per security (EPS)/share, has risen from (8.43c) to 2.72c.

During the second half of the 2007/2008 financial year a significant milestone was reached when the business moved to profitability, 18 months ahead of prospectus forecast. The Company's policy is to pay from the net profit for the reporting period, as high a dividend as possible, having regard to the Company's cash position. Dividends are declared annually in September.

Since year end the Directors have recommended the payment of a final dividend of 3.5 cents per share, fully unfranked. The aggregate amount of the proposed dividend is expected to be paid during December 2008 out of retained profits at 30 June 2008 and up to the date of declaration, being 23 September 2008.

The continuing growth in business is a direct reflection of the quality of our Branch Manager, Vanessa Skinner, and her staff, who have taken every opportunity to up skill and thus provide the best service possible to customers.

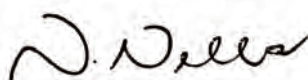
I also acknowledge my Board colleagues for their contribution and dedication throughout the year. As mentioned in last year's report, the Board is committed to good governance. As an important part of this process an annual review of Director, Board and the Chairman's performance has been completed as a basis for development and quality assurance.

Dianne Nielsen and Allan Mortensen resigned this financial year. Dianne and Allan had both served the Company from the Steering Committee stage and were instrumental in the establishment of the business. I join with the Board Directors in thanking them for their service and commitment.

I thank shareholders for their support and belief in the Babinda **Community Bank**<sup>®</sup> Branch of Bendigo Bank. It is through your backing and investment in our bank that we have achieved a sound business footing where we are now able to pay investors a dividend and further increase our sponsorship and support of community projects.

BCFS Limited continues to work closely with our franchise partners Bendigo Bank to maximise the range of banking services available to Babinda **Community Bank**<sup>®</sup> Branch customers. In June, I was elected to the inaugural **Community Bank**<sup>®</sup> Strategic Advisory Board as the Queensland representative. Part of this role is to contribute to the assessment and exploration of issues and opportunities for **Community Bank**<sup>®</sup>, make recommendations to Bendigo Bank and assist in medium to long term strategic sustainability of the **Community Bank**<sup>®</sup> model.

BCFS is committed to delivering on its prime objectives of seeking the best possible long term returns for its shareholders while providing full banking and financial services to its customers.



Desley Vella  
Chairman

# Manager's report

---

For year ending 30 June 2008

Our **Community Bank**<sup>®</sup> is now two years old and continuing to grow. We have more than \$26 million in both lending and deposit funds on our books. This has grown significantly from the end of June 2007. These results are also reflected in our total number of accounts that have increased from 1890 to 2048 during the 2007/2008 financial year.

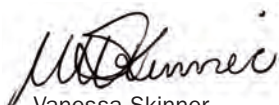
I would like to thank Carly, Carol and Bronya for their enormous contribution to achieving this result. At this point, I would also like to welcome our new staff member, Helen Marozzi.

We intend to continue to promote the branch and the benefits that banking with the Babinda **Community Bank**<sup>®</sup> Branch has for our customers, shareholders, and our community. Our objective is to provide the quality of services customers seek and to contribute to the well being of our customers and our community. We are striving for increased profits and will continue to approach prospective clients to promote the benefits of banking with the Babinda **Community Bank**<sup>®</sup> Branch. If we do this well, everyone will benefit.

Throughout the year we have provided sponsorships and donations to different events and groups in our community, including the Driver Training Program in conjunction with Accreditation & Training, the Harvest Festival and the Respite Room at the Babinda Hospital.

We thank you for your support and look forward to continuing to provide a friendly, unique style of banking characteristic of a local **Community Bank**<sup>®</sup> Branch.

Remember, we are open for business from 9am - 5pm Monday to Friday and 9am – 12pm on Saturdays.



Vanessa Skinner

Branch Manager

# Bendigo Bank Ltd report

---

June 2008 marks ten years since Bendigo Bank and the people of Rupanyup and Minyip unveiled the first **Community Bank**<sup>®</sup> branches in Australia, marking a turning point not only for the two small Victorian wheat belt towns, but for the Bendigo as well.

Today, these two towns have been joined by more than 210 communities to form Australia's fastest growing banking network – community banking.

It is a significant milestone for Bendigo Bank and our **Community Bank**<sup>®</sup> partners.

The number of **Community Bank**<sup>®</sup> branches has doubled in the last four years and in the same time frame, customers have tripled their commitment of banking business to the community network, increasing it to more than \$11 billion.

More importantly, in excess of \$18 million in **Community Bank**<sup>®</sup> branch profits has been returned to community projects and \$12 million has been paid in dividends to more than 50,000 local shareholders.

Behind those numbers are hundreds of stories of **Community Bank**<sup>®</sup> branches making a real difference to the lives of local people.

Whether it's building a community hall, sponsoring an art prize or even buying new footy jumpers for the local side – these **Community Bank**<sup>®</sup> branches are helping improve the economic and social prospects of their local communities.

Add to those contributions the employment of more than 1000 staff members and daily expenses in the local economy and you have a truly meaningful contribution to those communities and to local prosperity.

As we reflect on the past 10 years, it's with a feeling of great pride and accomplishment for what has been achieved between our team at the Bendigo and our community partners.

The landscape of banking has changed dramatically, but more importantly – so have the communities we partner and our own organisation.

Our partners have taken charge of outcomes locally that will impact positively for many years to come. Likewise, our organisation has built on our community focussed heritage and evolved to become a true partner to community.

Your commitment, enthusiasm and belief in the **Community Bank**<sup>®</sup> model has been instrumental in these achievements, and for that we thank you.

And here we are, only 10 years into this wonderful journey. Who knows what positive outcomes we'll be talking about in 10 years time, as the **Community Bank**<sup>®</sup> network matures?

It's an exciting prospect – and we are very proud of what our team and the communities we partner have achieved together.

**Russell Jenkins**

**Chief General Manager**

**Retail & Distribution**

# Directors' report

---

For year ending 30 June 2008

Your Directors submit the financial report of the Company for the financial year ended 30 June 2008.

## Directors

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

### **Desley Audrey Vella**

Chairman

Age: 55

Occupation: Sugar Cane Farmer/School Teacher

Experience and expertise: Advanced Diploma Business Management, Graduate Australian Institute of Company Directors, Certificate of Teaching, Agri-business Partner.

Other current Directorships: Innisfail Babinda Cane Productivity Services Limited

Former Company Directorships: Director Babinda District Canegrowers Organisation Limited

Special responsibilities: Finance and Audit Sub-Committee; Corporate Governance Sub-Committee

### **Lorraine Mary Anning**

Director

Age: 51

Occupation: Hotel Owner/Manager

Experience and expertise: Licensed Real Estate Agent, Hotelier, Property Owner, Member of the Harvest Festival and Swimming Club for 10 years, Pilots Licence holder.

Other current Directorships: Nil

Former Company Directorships: Nil

Special responsibilities: HR Sub-Committee, Marketing and Sponsorship Sub-Committee

### **Michael Alan Owens**

Director

Age: 43

Occupation: Boilermaker/Sugar Cane & Cattle Farmer

Experience and expertise: Boilermaker/Sugar Cane and Cattle Farmer.

Other current Directorships: Nil

Former Company Directorships: Nil

Special responsibilities: Marketing and Sponsorship Sub-Committee

### **John Peter Leggett**

Secretary/Treasurer (Appointed 11 December 2007)

Age: 67

Occupation: Retired

Experience and expertise: Project Manager of Contract Mining Group, Manager of major mining and construction projects.

Other current Directorships: Nil

Former Company Directorships: Nil

Special responsibilities: Finance and Audit Sub-Committee

# Directors' report continued

---

## **Rodney Gordon Edwards**

Director

Age: 49

Occupation: Newsagent Owner and Operator

Experience and expertise: Sugar Cane Farming, Auto Wrecking and Hydroponics, Apex Secretary, Harvest Festival President, SES Treasurer.

Other current Directorships: Nil

Former Company Directorships: Nil

Special responsibilities: Marketing and Sponsorship Sub-Committee

## **Leslie James Nielsen**

Director

Age: 57

Occupation: Cane Farmer

Member of Farming for the Future Babinda, Cairns Regional Economic Development Corporation, Abbeyfield Aged Care Association, WTMA Community Consultative Committee and Russell Mulgrave Landcare Committee.

Other current Directorships: Nil

Former Company Directorships: Director Babinda District Canegrowers Organisation Limited

Special responsibilities: Business development sub-committee

## **Laurel Robyn Cottone**

Director (Appointed 11 December 2007)

Age: 61

Occupation: School Teacher

Experience and expertise: Secondary School Teacher, Senior Maths Panellist (consultant), Tutor.

Other current Directorships: Nil

Former Company Directorships: Nil

Special responsibilities: Business Development Sub-Committee

## **Salvatore Nucifora**

Director (Appointed 11 December 2007)

Age: 42

Occupation: Retail Butcher/Cattle Farmer

Experience and expertise: 27 years in the meat industry as a butcher, business owner.

Other current Directorships: Nil

Former Company Directorships: Nil

Special responsibilities: Marketing and sponsorship sub-committee

## **Allan John Mortensen**

Director (Resigned 11 February 2008)

Age: 57

Occupation: Property Developer

Experience and expertise: Many years of operational business expertise.

Other current Directorships: Nil

Former Company Directorships: Nil

Special responsibilities: Finance and Audit Sub-Committee

## **Delia Grace Merlo**

Director (Resigned 25 September 2007)

Age: 54

Occupation: Medical Practice Manager

Experience and expertise: Medical Practice Manager for 16 years.

Other current Directorships: Nil

Former Company Directorships: Nil

Special responsibilities: Corporate Governance Sub-Committee

# Directors' report continued

---

## **Vito William Musemeci**

Director (Appointed 11 December 2007)

Age: 45

Occupation: School Teacher

Experience and expertise: School Teacher

Horticulture, Fitter and Turner, Small Fruit and Flowers

Farm Owner, Secretary of Rambutan and Tropical

Exotic Growers' Association for 3 years.

Other current Directorships: Nil

Former Company Directorships: Nil

Special responsibilities: Business Development

Sub-Committee

## **Dianne Lyn Nielsen**

Director (Resigned 22 January 2008)

Age: 53

Occupation: Public Servant

Experience and expertise: Regional Finance Officer

and Member Farming for the Future (Babinda),

Member Cairns Regional Economic Development

Corporation, Abbeyfield Aged Care Assoc.

Other current Directorships: Nil

Former Company Directorships: Nil

Special responsibilities: Finance and Audit

Sub-Committee

## **Christine Tanya Owens**

Director (Appointed 11 December 2007)

Age: 32

Occupation: Café Owner and Operator

Experience and expertise: Sugar Chemist, Customer

Service Officer, Accounts Payable Clerk, Receptionist/

Bank Officer, Business owner operator for past

3 years.

Other current Directorships: Nil

Former Company Directorships: Nil

Special responsibilities: Business development

sub-committee

## **Brian Leo Merlo**

Director (Resigned 25 September 2007)

Age: 61

Occupation: Doctor

Experience and expertise: Operator of Private

Medical Practice for 30 years.

Other current Directorships: Nil

Former Company Directorships: Nil

Special responsibilities: Deputy Chairman

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**

The Company Secretary is John Peter Leggett. John was appointed to the position of Company Secretary on the 21 January 2008 after the resignation of Lorraine Mary Anning.

## **Principal activities**

The principal activities of the Company during the course of the financial year were in facilitating **Community Bank**<sup>®</sup> services under management rights to operate a franchised branch of Bendigo Bank Limited.

There have 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/(loss) of the Company for the financial year after provision for income tax was:

	Year ended 30 June 2008 \$	Year ended 30 June 2007 \$
	16,246	(50,438)

---

## Remuneration report

No Director receives remuneration for services as a Company 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.

There are therefore no specified Executives whose remuneration requires disclosure.

The Branch Manager is employed on a contract which is in line with the standards and remuneration levels applicable to Bendigo Bank staff in similar roles.

## Dividends

Dividends	Year ended 30 June 2008	
	Cents	\$
Final dividends recommended:	3.5	20,939

---

Dividends to be paid from profits earned for the year ended 30 June 2008 and up to the date of declaration, being 23 September 2008.

## 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 17 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:
Desley Audrey Vella	13	12
John Peter Leggett (Appointed 11 December 2007)	7	6
Lorraine Mary Anning	13	12
Rodney Gordon Edwards	13	10
Michael Alan Owens	13	9
Leslie James Nielsen	13	11
Laurel Robyn Cottone (Appointed 11 December 2007)	7	5
Vito William Musemeci (Appointed 11 December 2007)	7	7
Salvatore Nucifora (Appointed 11 December 2007)	7	6
Christine Tanya Owens (Appointed 11 December 2007)	7	5
Allan John Mortensen (Resigned 11 February 2008)	8	5
Dianne Lyn Nielsen (Resigned 22 January 2008)	8	7
Delia Grace Merlo (Resigned 25 September 2007)	3	1
Brian Leo Merlo (Resigned 25 September 2007)	3	1

# 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:

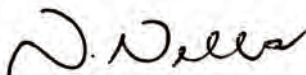
all non-audit services have been reviewed by the audit committee to ensure they do not impact on the impartiality and objectivity of the Auditor;

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 10.

Signed in accordance with a resolution of the Board of Directors at Babinda, Queensland on 23 September 2008.



**Desley Audrey Vella, Chairman**



**John Peter Leggett, Secretary/Treasurer**



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 Babinda Community 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 2008 there have been:

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; 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 23 day of September 2008

# Financial statements

## Income statement For year ending 30 June 2008

	Note	2008 \$	2007 \$
Revenues from ordinary activities	3	367,452	296,212
Salaries and employee benefits expense		(188,917)	(196,096)
Advertising and promotion expenses		(8,670)	(6,623)
Occupancy and associated costs		(26,276)	(23,322)
Systems costs		(25,089)	(25,990)
Depreciation and amortisation expense	4	(19,402)	(21,056)
Borrowing cost expense	4	(125)	(23)
General administration expenses		(84,467)	(90,268)
<b>Profit/(loss) before income tax credit</b>		<b>14,506</b>	<b>(67,166)</b>
Income tax credit	5	1,740	16,728
<b>Profit/(loss) for the period</b>		<b>16,246</b>	<b>(50,438)</b>
<b>Profit/(loss) attributable to members of the entity</b>		<b>16,246</b>	<b>(50,438)</b>
<b>Earnings per share (cents per share)</b>		<b>c</b>	<b>c</b>
- basic for profit for the year	19	2.72	(8.43)

The accompanying notes form part of these financial statements.

## Financial statements continued

### Balance sheet As at 30 June 2008

	Note	2008 \$	2007 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash assets	6	160,951	132,860
Trade and other receivables	7	26,774	22,492
<b>Total current assets</b>		<b>187,725</b>	<b>155,352</b>
<b>Non-current assets</b>			
Property, plant and equipment	8	163,693	181,095
Intangible assets	9	74,515	76,515
Deferred tax assets	10	58,171	56,431
<b>Total non-current assets</b>		<b>296,379</b>	<b>314,041</b>
<b>Total assets</b>		<b>484,105</b>	<b>469,393</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	11	22,575	24,927
Provisions	12	7,817	9,242
<b>Total current liabilities</b>		<b>30,392</b>	<b>34,169</b>
<b>Non-current liabilities</b>			
Provisions	12	2,243	-
<b>Total non-current liabilities</b>		<b>2,243</b>	<b>-</b>
<b>Total liabilities</b>		<b>32,635</b>	<b>34,169</b>
<b>Net assets</b>		<b>451,470</b>	<b>435,224</b>
<b>Equity</b>			
Issued capital	14	577,133	577,133
Accumulated losses	15	(125,663)	(141,909)
<b>Total equity</b>		<b>451,470</b>	<b>435,224</b>

The accompanying notes form part of these financial statements.

## Financial statements continued

### Statement of cash flows As at 30 June 2008

	Note	2008 \$	2007 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		407,404	310,726
Payments to suppliers and employees		(385,804)	(513,076)
Interest paid		(125)	(23)
Interest received		6,616	3,646
<b>Net cash provided by/(used in) operating activities</b>	<b>15</b>	<b>28,091</b>	<b>(198,727)</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		-	(20,829)
<b>Net cash used in investing activities</b>		<b>-</b>	<b>(20,829)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issues of equity securities		-	62,701
Payment for share issue costs		-	(13,817)
<b>Net cash provided by financing activities</b>		<b>-</b>	<b>48,884</b>
<b>Net increase/(decrease) in cash held</b>		<b>28,091</b>	<b>(170,672)</b>
Cash at the beginning of the financial year		132,860	303,532
<b>Cash at the end of the financial year</b>	<b>6(a)</b>	<b>160,951</b>	<b>132,860</b>

The accompanying notes form part of these financial statements.

## Financial statements continued

---

### Statement of changes in equity As at 30 June 2008

	Note	2008 \$	2007 \$
Total equity at the beginning of the period		435,224	422,961
Net profit/(loss) for the period		16,246	(50,438)
Net income/expense recognised directly in equity		-	-
Dividends provided for or paid		-	-
Shares issued during period		-	62,701
<b>Total equity at the end of the period</b>		<b>451,470</b>	<b>435,224</b>

The accompanying notes form part of these financial statements.



# Notes to the financial statements

---

For year ending 30 June 2008

## Note 1. Summary of significant accounting policies

### **Basis of preparation**

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group 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 for 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.

# Notes to the financial statements continued

---

## 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.

# Notes to the financial statements continued

---

## Note 1. Summary of significant accounting policies (continued)

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

### **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.

# Notes to the financial statements continued

---

## Note 1. Summary of significant accounting policies (continued)

Goodwill is allocated to cash-generating units for the purpose of impairment testing. Each of those cash-generating units represents the Company's investment in each branch.

### **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.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below:

### **Impairment of assets**

At each reporting date, the consolidated entity 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. Goodwill is tested for impairment annually and whenever there is an indication that the asset may be impaired. An impairment of goodwill is not subsequently reversed.

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

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

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

### **Payment terms**

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

# Notes to the financial statements continued

---

## Note 1. Summary of significant accounting policies (continued)

### **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.

### **Provisions**

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

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

### **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.

# Notes to the financial statements continued

---

## 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 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 Bank Limited mitigates this risk significantly.

### *(v) Cash flow and fair value interest rate risk*

Interest-bearing assets are held with Bendigo 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 Bank Limited mitigates this risk significantly.

## Notes to the financial statements continued

	2008 \$	2007 \$
<b>Note 3. Revenue from ordinary activities</b>		
<b>Operating activities:</b>		
- services commissions	360,716	291,851
- other revenue	-	715
<b>Total revenue from operating activities</b>	<b>360,716</b>	<b>292,566</b>
<b>Non-operating activities:</b>		
- interest received	6,736	3,646
<b>Total revenue from non-operating activities</b>	<b>6,736</b>	<b>3,646</b>
<b>Total revenues from ordinary activities</b>	<b>367,452</b>	<b>296,212</b>

## Note 4. Expenses

<b>Depreciation of non-current assets:</b>		
- plant and equipment	11,917	13,571
- leasehold improvements	5,485	5,485
<b>Amortisation of non-current assets:</b>		
- franchise agreement	2,000	2,000
	<b>19,402</b>	<b>21,056</b>
<b>Finance costs:</b>		
- interest paid	<b>125</b>	<b>23</b>

## Note 5. Income tax expense

<b>The components of tax expense comprise:</b>		
- Current tax	-	-
- Deferred tax on provisions	4,750	-
- Recoupment of prior year tax losses	(3,010)	-
- Future income tax benefit attributable to losses	-	16,728
- Under/over provision in respect to prior years		
	<b>1,740</b>	<b>16,728</b>

## Notes to the financial statements continued

	2008 \$	2007 \$
Note 5. Income tax expense (continued)		
The prima facie tax on profit/(loss) from ordinary activities before income tax is reconciled to the income tax expense as follows:		
Operating profit/(loss)	14,506	(67,166)
Prima facie tax on profit/(loss) from ordinary activities at 30%	4,352	(20,150)
Add tax effect of:		
- non-deductible expenses	600	600
- timing difference expenses	(675)	4,089
- blackhole expenses	(1,267)	(1,267)
Current tax	3,010	(16,728)
Movement in deferred tax <sup>10</sup> .	(4,750)	-
	<b>(1,740)</b>	<b>(16,728)</b>

### Note 6. Cash assets

Cash at bank and on hand	53,852	32,357
Term deposits	107,099	100,503
	<b>160,951</b>	<b>132,860</b>

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	53,852	32,357
Term deposit	107,099	100,503
	<b>160,951</b>	<b>132,860</b>

### Note 7. Trade and other receivables

Trade receivables	26,774	22,492
	<b>26,774</b>	<b>22,492</b>



## Notes to the financial statements continued

	2008 \$	2007 \$
<b>Note 8. Property, plant and equipment</b>		
<b>Plant and equipment</b>		
At cost	78,212	78,212
Less accumulated depreciation	(25,488)	(13,571)
	<b>52,724</b>	<b>64,641</b>
<b>Leasehold improvements</b>		
At cost	121,939	121,939
Less accumulated depreciation	(10,970)	(5,485)
	<b>110,969</b>	<b>116,454</b>
<b>Total written down amount</b>	<b>163,693</b>	<b>181,095</b>
<b>Movements in carrying amounts:</b>		
<b>Plant and equipment</b>		
Carrying amount at beginning	64,641	10,432
Additions	-	67,780
Disposals	-	-
Less: depreciation expense	(11,917)	(13,571)
<b>Carrying amount at end</b>	<b>52,724</b>	<b>64,641</b>
<b>Leasehold improvements</b>		
Carrying amount at beginning	116,454	168,890
Additions	-	-
Disposals	-	(46,951)
Less: depreciation expense	(5,485)	(5,485)
<b>Carrying amount at end</b>	<b>110,969</b>	<b>116,454</b>
<b>Total written down amount</b>	<b>163,693</b>	<b>181,095</b>

## Notes to the financial statements continued

	2008 \$	2007 \$
<b>9. Intangible assets</b>		
<b>Franchise fee</b>		
At cost	10,000	10,000
Less: accumulated amortisation	(4,000)	(2,000)
	<b>6,000</b>	<b>8,000</b>
Goodwill	68,515	68,515
	<b>74,515</b>	<b>76,515</b>

## 10. Deferred tax

<b>Deferred tax asset</b>		
- Opening Balance	56,431	39,703
Future income tax benefits attributable to losses	-	16,728
Recoupment of prior year tax losses	(3,010)	-
Deferred tax on provisions	4,750	-
Under/over provision in relation to prior years	-	-
<b>- Closing balance</b>	<b>58,171</b>	<b>56,431</b>

## 11. Trade and other payables

Trade creditors	15,081	14,485
Other creditors & accruals	7,494	10,442
	<b>22,575</b>	<b>24,927</b>

## 12. Provisions

<b>Current</b>		
Employee provisions		
	<b>7,817</b>	<b>9,242</b>
<b>Non-current</b>		
Employee provisions	2,243	-
Number of employees at year end	4	4

## Notes to the financial statements continued

	2008 \$	2007 \$
<b>13. Contributed equity</b>		
598,251 Ordinary shares fully paid of \$1 each (2007: 598,251)	598,251	598,251
Less: equity raising expenses	(21,118)	(21,118)
	<b>577,133</b>	<b>577,133</b>

### 14. Retained earnings/accumulated losses

Balance at the beginning of the financial year	(141,909)	(91,471)
Net profit/(loss) from ordinary activities after income tax	16,246	(50,438)
<b>Balance at the end of the financial year</b>	<b>(125,663)</b>	<b>(141,909)</b>

### 15. Statement of cashflows

Reconciliation of loss from ordinary activities after tax to net cash provided by/(used in) operating activities

Profit/(Loss) from ordinary activities after income tax	16,246	(50,438)
<b>Non cash items:</b>		
- depreciation	17,402	19,056
- amortisation	2,000	2,000
<b>Changes in assets and liabilities:</b>		
- (increase)/decrease in receivables	(4,282)	18,160
- (increase)/decrease in other assets	(1,740)	(16,728)
- increase/(decrease) in payables	(2,353)	(178,688)
-increase/(decrease) in provisions	818	7,911
<b>Net cashflows provided by/(used in) operating activities</b>	<b>28,091</b>	<b>(198,727)</b>

### 16. Auditors' remuneration

Amounts received or due and receivable by the Auditor of the Company for:

- audit & review services	4,000	4,000
- non audit services	1,540	1,915
	<b>5,540</b>	<b>5,915</b>

# Notes to the financial statements continued

---

## 17. Director and related party disclosures

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

Desley Audrey Vella

John Peter Leggett (Appointed 11 December 2007)

Lorraine Mary Anning

Rodney Gordon Edwards

Michael Alan Owens

Leslie James Nielsen

Laurel Robyn Cottone (Appointed 11 December 2007)

Vito William Musemeci (Appointed 11 December 2007)

Salvatore Nucifora (Appointed 11 December 2007)

Christine Tanya Owens (Appointed 11 December 2007)

Allan John Mortensen (Resigned 11 February 2008)

Dianne Lyn Nielsen (Resigned 22 January 2008)

Delia Grace Merlo (Resigned 25 September 2007)

Brian Leo Merlo (Resigned 25 September 2007)

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

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:

Rodney Gordon Edwards, in the capacity of newsagent,

supplied stationery to the value of

\$900

-

---

## Notes to the financial statements continued

<b>Directors shareholdings</b>	<b>2008</b>	<b>2007</b>
Desley Audrey Vella	8,000	5,500
John Peter Leggett (Appointed 11 December 2007)	5,000	-
Lorraine Mary Anning	11,500	11,500
Rodney Gordon Edwards	6,000	6,000
Michael Alan Owens	4,000	4,000
Leslie James Nielsen	5,000	5,000
Laurel Robyn Cottone (Appointed 11 December 2007)	20,000	-
Vito William Musemeci (Appointed 11 December 2007)	1,000	-
Salvatore Nucifora (Appointed 11 December 2007)	-	-
Christine Tanya Owens (Appointed 11 December 2007)	-	-
Allan John Mortensen (Resigned 11 February 2008)	10,000	10,000
Dianne Lyn Nielsen (Resigned 22 January 2008)	5,000	5,000
Delia Grace Merlo (Resigned 25 September 2007)	5,000	5,000
Brian Leo Merlo (Resigned 25 September 2007)	5,000	5,000

Movements in Directors shareholdings are outlined above. Each share held is valued at \$1.

	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>

### 18. Dividends paid or provided

Since year end the Directors have recommended the payment of a final dividend of 3.5 cents per fully paid ordinary share, fully unfranked.

The aggregate amount of the proposed dividend, expected to be paid during December 2008 out of profits earned for the year ended 30 June 2008 and up to the date of declaration, being 23 September 2008, and not recognised as a liability at year end, is

20,939	-
--------	---

### 19. Earnings per share

(a) Profit attributable to the ordinary equity holders of the Company used in calculating earnings per share

16,246	(50,438)
--------	----------

<b>2008</b>	<b>2007</b>
<b>Number</b>	<b>Number</b>

(b) Weighted average number of ordinary shares used

as the denominator in calculating basic earnings per share	598,251	584,205
------------------------------------------------------------	---------	---------

## Notes to the financial statements continued

---

### 20. 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.

### 21. Contingent liabilities

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

### 22. Segment reporting

The economic entity operates in the service sector where it facilitates community banking services pursuant to a franchise agreement with Bendigo Bank Limited. The economic entity operates in one geographic area being Babinda and surrounding district, Queensland.

### 23. Registered office/principal place of business

The registered office and principal place of business is:

**Registered office**

55 Munro Street  
Babinda QLD 4861

**Principal place of business**

55 Munro Street  
Babinda QLD 4861

## Notes to the financial statements continued

### 25. 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					
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	%	%
<b>Financial assets</b>												
Cash assets	53,851	32,357	-	-	-	-	-	-	-	-	0.05	0.05
Common Fund	87,099	100,503	-	-	-	-	-	-	-	-	7.08	6.39
Term Deposit	-	-	20,000	-	-	-	-	-	-	-	8.40	-
Receivables	-	-	-	-	-	-	-	-	26,774	22,492	N/A	N/A
<b>Financial liabilities</b>												
Interest bearing liabilities	-	-	-	-	-	-	-	-	-	-		
Payables	-	-	-	-	-	-	-	-	22,575	24,927	N/A	N/A

# Director's declaration

---

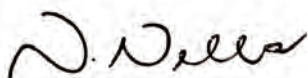
In accordance with a resolution of the Directors of Babinda Community Financial Services Limited, we state that:

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 2008 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.

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer as required by section 295A of the Corporations Act.

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



**Desley Audrey Vella, Chairman**



**John Peter Leggett, Secretary/Treasurer**

Signed on the 23rd of September 2008.



# Independent audit report



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 Babinda Community Financial Services Limited

We have audited the accompanying financial report of Babinda Community Financial Services Limited, which comprises the balance sheet as at 30 June 2008, and the income statement, 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 director's declaration.

The company has disclosed information as required by paragraphs Aus 25.4 to Aus 25.7.2 of Accounting Standard 124 Related Party Disclosures ("Remuneration disclosures"), under the heading "Remuneration Report" in the directors' report, as permitted by Corporations Regulation 2M.6.04.

### Directors Responsibility for the Financial Report

The Directors 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 that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards. The directors are also responsible for the remuneration disclosures contained in the director's report.

### 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 and that the remuneration disclosures comply with Accounting Standards AASB 124 Related Party Disclosures.

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.

# Independent audit report continued

---

## **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 director's 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**

In our opinion:

- 1) The financial report is in accordance with the Corporations Act 2001 including giving a true and fair view of the financial position of Babinda Community Financial Services Limited as of 30 June 2008 and of its financial performance and its cash flows for the year then ended in accordance 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 disclosed in Note 1.
- 3) The remuneration disclosures that are contained in the director's report comply with Accounting Standards AASB 124 Related Party Disclosures.



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

Dated this 23 day of September 2008

# BSX report

---

## Share information

In accordance with Bendigo Stock Exchange listing rules the Company provides the following information as at 30 September 2008 which is within 6 weeks of this report being sent to shareholders

## Annexure 3A

There is a material difference between the information in the Company's annexure 3A and the information in the financial documents in the Annual Report. The differences relate to the Directors' recommendation to pay a dividend of 3.5 cents per share as described in note 18.

## Corporate governance

The Company has implemented various corporate governance practices, which include:

- a) The establishment of a finance and audit committee. Members of this committee are Vito Musumeci, Desley Vella and John Leggett.
- b) Director approval of operating budget and monitoring of progress against these budgets.
- c) Ongoing Director training and
- d) Monthly Director meetings to discuss performance and strategic plans.

## Share information

The following table shows the distribution of the number of holders.

Number of shares held	Number of shareholders
1 to 1,000	230
1,001 to 5,000	100
5,001 to 10,000	8
10,001 to 100,000	3
Total shareholders	341

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

There are no substantial shareholders (holding more than 5% of voting rights)

There are 3 shareholders holding less than a marketable parcel of shares (\$500 in value)

There are no restricted securities on issue.

All shares on issue are ordinary shares fully paid to \$1 per share. There are no unquoted equity securities.

## BSX report continued

---

The following table shows the 11 largest shareholders.

<b>Shareholder</b>	<b>Number of shares</b>	<b>Percentage of capital</b>
Errol John Harper Wiles	20,000	3.34
Laurel Robyn Cottone	20,000	3.34
Lena E & Leslie J Kelly	15,000	2.51
Raymond W Bevan	10,000	1.67
James Biancotti	10,000	1.67
Douglas E Spoor	10,000	1.67
Brendan P Stevens	10,000	1.67
Margaret M & Kenneth M Moller	10,000	1.67
Allan J & Urai Mortensen	10,000	1.67
Alfio G Lizzio	10,000	1.67
Loretta Marie Musumeci	10,000	1.67
<b>Total</b>	<b>135,000</b>	<b>22.57</b>

### **Company Secretary**

John Leggett has been the Company Secretary of Babinda Community Financial Services Ltd., for 6 months. John Leggett is retired and his experience includes Engineering and Project Management with large mining Companies and Horticulture at Bellenden Ker.

### **Registered office and principal administrative office**

The registered office, the principal administrative office of the Company and the location where the securities register is kept is:

55 Munro Street  
Babinda, QLD 4861  
Phone: (07) 40 671 011

Babinda **Community Bank**<sup>®</sup> Branch  
55 Munro Street, Babinda Qld 4861  
Phone: (07) 4067 2934

Franchisee: Babinda Community Financial Services Limited  
55 Munro Street, Babinda Qld 4861  
ABN 87 118 659 993

[www.bendigobank.com.au](http://www.bendigobank.com.au)

Bendigo and Adelaide Bank Limited, The Bendigo Centre, Bendigo VIC 3550  
ABN 11 068 049 178. AFSL 237879. (KKQAR8002) (08/08)

