

annual report 2009



Babinda
Community Financial Services
ABN 87 118 659 993

Babinda Community Bank® Branch

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Chairman's report

For year ending 30 June 2009

Babinda Community Financial Services Limited (BCFSL) has recorded a solid performance for the financial year 2008-09 despite being impacted by changed economic conditions which resulted from the biggest financial upheaval since the 1930's.

While Babinda **Community Bank**[®] Branch business footings grew 15% over the reporting period to \$32 million, our margins were squeezed which resulted in a significant fall in revenues generated from ordinary activities.

The Company paid an inaugural dividend of 3.5 cents/share unfranked, in December 2008, which equated to \$20,939. In line with our mission statement of 'Enhancing the community', our investment in local projects continues and has now exceeded \$60,000.

In 2008, Babinda **Community Bank**[®] Branch was recognised for having 90% of shareholders as customers, the highest of any **Community Bank**[®] branch in Australia.

The branch continues to attract new customers each month and business footings are growing accordingly. With increased revenues and cost containment initiatives, including a move to a Low Volume Market for share trading purposes, we expect to grow shareholder value during the next reporting period. This trend was already apparent in the last few months trading of this financial year which recorded positive cash flows.

I would like to recognise the hard work of all staff in the delivery of this result and welcome our new Branch Manager, Helen Marozzi, who brings a decade of experience in lending and banking management to the role. I would also like to thank our previous Manager, Vanessa Skinner, for her dedicated service and wish her every success in her own business venture.

I also thank my Board colleagues for their support, commitment and valuable contribution and acknowledge our franchise partners, Bendigo and Adelaide Bank, for their ongoing assistance.

Annual reviews of Director, Board and the Chairman's performance have been completed during the year as a basis for development and quality assurance.

Rodney Edwards, Vito Musumeci, Michael Owens, Christine Owens and Salvatore Nucifora resigned this financial year. I join with the Board of Directors in thanking them for their service to BCFSL and faith in the **Community Bank**[®] model. Douglas Spoor filled a casual vacancy on the Board during the year.

Finally, I would like to thank you, our shareholders, for your continued support and loyalty which are extremely important to the ongoing growth of Babinda **Community Bank**[®] Branch. In buying shares in BCFSL, you have invested in a Company which supports your community, every day.

The Board are confident about our continued growth prospects and know that the more community members support us the more we can support the community.



Desley Vella
Chairman

Manager's report

For year ending 30 June 2009

Our **Community Bank**[®] branch is now over three years old and continuing to grow. We have more than \$32 million in both lending and deposit funds on our books.

This business growth has been achieved despite the downturn in the financial markets experienced across the nation.

We are proud of the support from the community to date and we know this support will continue to grow as more come to understand the benefits of banking locally and returning profit to, and for the benefit of, our communities.

Over the past 12 months Babinda **Community Bank**[®] Branch has been able to support a number of important community projects. These included the purchase of a motorised scooter for Abbeyfield and a hot box for Meals on Wheels, Babinda District Hospital, Christmas in Babinda and the Babinda Harvest Festival.

I would like to thank Carol, Carly and Bronya who have provided professional and friendly service to our customers and for their enormous contribution to achieving our results.

I would also like to thank the **Community Bank**[®] Company's Board of Directors for their efforts in ensuring the ongoing success of our **Community Bank**[®] branch.

On behalf of my branch team and myself, we thank the Babinda and surrounding communities for your support and we look forward to an even more successful year ahead.



Helen Marozzi
Branch Manger

Bendigo and Adelaide Bank Ltd report

For year ending 30 June 2009

2008/09 will go down as one of the most tumultuous financial years in history. The global financial crisis and its aftermath wiped trillions of dollars off the world's net wealth. Some of the biggest names in international banking disappeared; many other banks – vastly bigger than Bendigo and Adelaide Bank Ltd – turned to governments to bail them out. Not surprisingly, confidence sagged, reflected in rising unemployment and stock markets falling by around half their former valuations.

In short, we have seen the biggest financial meltdown since the Great Depression of nearly 80 years ago.

Amidst all that turmoil, though, our grassroots banking movement marched steadily on. Twenty new **Community Bank**[®] branches joined Bendigo and Adelaide Bank Ltd's national network. Around 120,000 new customers switched to the Bendigo style of banking. And 70 more communities continued their local campaign to open a **Community Bank**[®] branch.

Those statistics are impressive in themselves, but it is the story behind them that is really important.

That's the story of ordinary people – an awful phrase, but you know what I mean – who inherently understand that the role of a bank is to feed into prosperity, rather than profit from it. That lesson was forgotten by many bankers across the globe, with devastating consequences. But it is now well understood by the residents of 237 towns and suburbs that own their own **Community Bank**[®] branch, because every day they see the fruits of their investment in locally owned banking.

Again, the statistics are impressive enough – \$29 million paid out in community projects and nearly \$11 million in local shareholder dividends. But again, the real stories lie behind the numbers – new community centres and fire trucks, more local nurses, new walking tracks and swimming pools, safer young drivers, more trees and fewer wasteful incandescent globes, innovative water-saving projects... the list goes on.

And of course more money retained and spent locally. And more jobs. Fifteen hundred or so just in the branches alone. More because of the flow-on, or multiplier, effect of those wages being spent locally. And yet more because of the extra shopping now done in communities made more prosperous and active by having their own bank branch.

Community Bank[®] branches have not escaped the fallout from the global turmoil. Like Bendigo and Adelaide Bank Ltd, they have received less income than in normal times. But also like Bendigo and Adelaide Bank Ltd, they have not needed anyone's help to get through this crisis. And every day we are reminded that banks that are relevant and connected locally will be valued by their customers and communities. For the better of all.



Russell Jenkins
Chief General Manager

Directors' report

For year ending 30 June 2009

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

Directors

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

Desley Audrey Vella

Chairman

Age: 56

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: 52

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 and Woolclassing Licence holder.

Other current directorships: Nil

Former Company directorships: Nil

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

Laurel Robyn Cottone

Director

Age: 62

Occupation: School Teacher

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

Other current directorships: Nil

Former Company directorships: Nil

Special responsibilities: Business Development Sub-Committee

Rodney Gordon Edwards

Director (Resigned 23 September 2008)

Age: 50

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

Directors' report continued

John Peter Leggett

Secretary/Treasurer

Age: 68

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

Leslie James Nielsen

Director

Age: 58

Occupation: Cane Farmer

Current member of Farming for the Future Babinda and Russell Mulgrave Landcare Committee. Past member of Abbeyfield Aged Care Association and past Board member of Cane Growers Association Babinda.

Other current directorships: Nil

Former Company directorships: Director Babinda District Canegrowers Organisation Limited

Special responsibilities: Marketing and Sponsorship Sub-Committee

Douglas Edward Spoor

Director (Appointed 24 March 2009)

Age: 55

Occupation: Motor Mechanic

Experience and expertise: Fitter Mechanic, Welder, Boiler Attendant, Forklift Operator, Builders Labourer, Nursery Manager and Gardener, Refrigeration Engine Driver.

Other current directorships: Nil

Former Company directorships: Nil

Special responsibilities: Nil

Vito William Musemeci

Director (Resigned 28 November 2008)

Age: 46

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

Michael Alan Owens

Director (Resigned 14 January 2009)

Age: 44

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

Salvatore Nucifora

Director (Resigned 23 June 2009)

Age: 43

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

Directors' report continued

Christine Tanya Owens

Director (Resigned 14 January 2009)

Age: 33

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: Nil

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 following 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**[®] 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.

Operating Results

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

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

	Year ended 30 June 2009	Year ended 30 June 2008
	\$	\$
	(30,604)	16,246

Directors' report continued

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 and Adelaide Bank Limited staff in similar roles.

Dividends

	Year ended 30 June 2009	
	Cents	\$
Dividends paid in the year:		
- As recommended in the prior year report	3.5	20,939

Significant changes in the state of affairs

During the financial year under review the Company delisted from the Bendigo Stock Exchange effective from 30 June 2009.

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 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.

Directors' report continued

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:

Names of Directors	Directors' meetings	
	Number eligible to attend	Number attended
Desley Audrey Vella	14	12
John Peter Leggett	14	14
Lorraine Mary Anning	14	13
Leslie James Nielsen	14	6
Laurel Robyn Cottone	14	11
Douglas Edward Spoor (Appointed 24 March 2009)	5	4
Rodney Gordon Edwards (Resigned 23 September 2008)	4	1
Vito William Musemeci (Resigned 28 November 2008)	5	1
Michael Alan Owens (Resigned 14 January 2009)	7	3
Christine Tanya Owens (Resigned 14 January 2009)	7	2
Salvatore Nucifora (Resigned 23 June 2009)	13	8

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:

Directors' report continued

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

none of the services undermine the general principles relating to Auditor independence as set out in Professional Statement F1, including reviewing or auditing the Auditor's own work, acting in a management or a decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risk and rewards.

Auditors' independence declaration

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

Signed in accordance with a resolution of the Board of Directors at Babinda, Queensland on 22 September 2009.



Desley Audrey Vella, Chairman



John Peter Leggett, Secretary/Treasurer

Directors' report continued



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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 2009 there have been:

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

David Hutchings

Auditor

Andrew Frewin & Stewart
Bendigo Victoria

Dated this 22nd day of September 2009

Financial statements

Income statement For year ending 30 June 2009

	Note	2009 \$	2008 \$
Revenues from ordinary activities	3	337,361	367,452
Salaries and employee benefits expense		(206,674)	(188,917)
Charitable donations, sponsorship, advertising & promotion		(15,902)	(8,670)
Occupancy and associated costs		(27,185)	(26,276)
Systems costs		(23,451)	(25,089)
Depreciation and amortisation expense	4	(18,582)	(19,402)
Borrowing cost expense	4	(721)	(125)
General administration expenses		(89,519)	(84,467)
Profit/(loss) before income tax credit		(44,673)	14,506
Income tax credit	5	14,069	1,740
Profit/(loss) for the period		(30,604)	16,246
Profit/(loss) attributable to members of the entity		(30,604)	16,246
Earnings per share (cents per share)		c	c
- basic for profit for the year	19	(5.12)	2.72

The accompanying notes form part of these financial statements.

Financial statements continued

Balance sheet As at 30 June 2009

	Note	2009 \$	2008 \$
Assets			
Current assets			
Cash assets	6	116,241	160,951
Trade and other receivables	7	24,080	26,774
Total current assets		140,321	187,725
Non-current assets			
Property, plant and equipment	8	147,111	163,693
Intangible assets	9	72,515	74,515
Deferred tax assets	10	72,240	58,171
Total non-current assets		291,866	296,379
Total assets		432,187	484,105
Liabilities			
Current liabilities			
Trade and other payables	11	21,652	22,575
Provisions	12	7,176	7,817
Total current liabilities		28,827	30,392
Non-current liabilities			
Provisions	12	3,433	2,243
Total non-current liabilities		3,433	2,243
Total liabilities		32,260	32,635
Net assets		399,927	451,470
Equity			
Issued capital	13	577,133	577,133
Accumulated losses	14	(177,206)	(125,663)
Total equity		399,927	451,470

The accompanying notes form part of these financial statements.

Financial statements continued

Statement of cash flows As at 30 June 2009

	Note	2009 \$	2008 \$
Cash flows from operating activities			
Receipts from customers		381,949	407,404
Payments to suppliers and employees		(412,260)	(385,804)
Interest paid		(721)	(125)
Interest received		7,261	6,616
Net cash provided by/(used in) operating activities	15	(23,771)	28,091
Cash flows from financing activities			
Dividends paid		(20,939)	-
Net cash used in financing activities		(20,939)	-
Net increase/(decrease) in cash held		(44,710)	28,091
Cash at the beginning of the financial year		160,951	132,860
Cash at the end of the financial year	6(a)	116,241	160,951

The accompanying notes form part of these financial statements.

Financial statements continued

Statement of changes in equity As at 30 June 2009

	Note	2009 \$	2008 \$
Total equity at the beginning of the period		451,470	435,224
Net profit/(loss) for the period		(30,604)	16,246
Net income/expense recognised directly in equity		-	-
Total income and expense recognised by the entity for the year		(30,604)	16,246
Dividends provided for or paid		(20,939)	-
Shares issued during period		-	-
Costs of issuing shares		-	-
Total equity at the end of the period		399,927	451,470

The accompanying notes form part of these financial statements.

Notes to the financial statements

For year ending 30 June 2009

Note 1. Summary of significant accounting policies

Basis of preparation

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

Compliance with IFRS

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

Historical cost convention

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

Revenue

Interest and fee revenue is recognised when earned. All revenue is stated net of the amount of Goods and Services Tax (GST). The gain or loss on disposal of property, plant and equipment is recognised on a net basis and is classified as income rather than revenue.

Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable 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.

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

Notes to the financial statements continued

Note 1. Summary of significant accounting policies (continued)

Income tax (continued)

or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities reflects the tax consequences that would follow from the manner in which the consolidated entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the income statement, except when it relates to items credited or debited to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

Employee entitlements

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

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

Notes to the financial statements continued

Note 1. Summary of significant accounting policies (continued)

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.

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.

Notes to the financial statements continued

Note 1. Summary of significant accounting policies (continued)

Critical accounting estimates and judgements

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

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

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:

Estimated Impairment of Goodwill

The Company tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 1(above). The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions.

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.

Notes to the financial statements continued

Note 1. Summary of significant accounting policies (continued)

Payment terms

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

Trade receivables and payables

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

Borrowings

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

Financial instruments

Recognition and initial measurement

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

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

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset.

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.

Notes to the financial statements continued

Impairment

At each reporting date, the entity assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the income statement.

Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that is transferred to entities in the entity are classified as finance leases. Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred. Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

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 and Adelaide Bank Limited.

(iv) Liquidity risk

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

(v) Cash flow and fair value interest rate risk

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

(vi) Capital management

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

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

(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

Notes to the financial statements continued

Note 2. Financial risk management (continued)

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

The Board is managing the growth of the business in line with this requirement. There are no other externally imposed capital requirements, although the nature of the Company is such that amounts will be paid in the form of charitable donations and sponsorship. Charitable donations and sponsorship paid for the year ended 30 June 2009 can be seen in the Income Statement.

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

	2009 \$	2008 \$
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Note 3. Revenue from ordinary activities

Operating activities:

- services commissions	331,140	360,716
Total revenue from operating activities	331,140	360,716

Non-operating activities:

- interest received	6,221	6,736
Total revenue from non-operating activities	6,221	6,736
Total revenues from ordinary activities	337,361	367,452

Note 4. Expenses

Depreciation of non-current assets:

- plant and equipment	11,097	11,917
- leasehold improvements	5,485	5,485

Amortisation of non-current assets:

- franchise agreement	2,000	2,000
	18,582	19,402

Finance costs:

- interest paid	721	125
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Notes to the financial statements continued

	2009 \$	2008 \$
Note 5. Income tax expense		
The components of tax expense comprise:		
- Current tax	-	-
- Deferred tax on provisions	(1,771)	4,750
- Recoupment of prior year tax losses	-	(3,010)
- Future income tax benefit attributable to losses	15,840	-
	14,069	1,740

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)	(44,673)	14,506
Prima facie tax on profit/(loss) from ordinary activities at 30%	(13,402)	4,352
Add tax effect of:		
- non-deductible expenses	600	600
- timing difference expenses	(1,771)	(675)
- blackhole expenses	(1,267)	(1,267)
Current tax	(15,840)	3,010
Movement in deferred tax	10. 1,771	(4,750)
	(14,069)	(1,740)

Note 6. Cash assets

Cash at bank and on hand	22,882	53,852
Term deposits	93,359	107,099
	116,241	160,951

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	22,882	53,852
Term deposit	93,359	107,099
	116,241	160,951

Notes to the financial statements continued

	2009 \$	2008 \$
Note 7. Trade and other receivables		
Trade receivables	22,169	26,774
Prepayments	1,911	-
	24,080	26,774

8. Property, plant and equipment

Plant and equipment

At cost	78,212	78,212
Less accumulated depreciation	(36,585)	(25,488)
	41,627	52,724

Leasehold improvements

At cost	121,939	121,939
Less accumulated depreciation	(16,455)	(10,970)
	105,484	110,969

Total written down amount

	147,111	163,693
--	----------------	----------------

Movements in carrying amounts:

Plant and equipment

Carrying amount at beginning	52,724	64,641
Additions	-	-
Disposals	-	-
Less: depreciation expense	(11,097)	(11,917)
Carrying amount at end	41,627	52,724

Leasehold improvements

Carrying amount at beginning	110,969	116,454
Additions	-	-
Disposals	-	-
Less: depreciation expense	(5,485)	(5,485)
Carrying amount at end	105,484	110,969
Total written down amount	147,111	163,693

Notes to the financial statements continued

	2009 \$	2008 \$
Note 9. Intangible assets		
Franchise Fee		
At cost	10,000	10,000
Less: accumulated amortisation	(6,000)	(4,000)
	4,000	6,000
Goodwill	68,515	68,515
	72,515	74,515

Note 10. Deferred tax

Deferred tax asset	58,171	56,431
Future income tax benefits attributable to losses	15,840	-
Recoupment of prior year tax losses	-	(3,010)
Deferred tax on provisions	(1,771)	4,750
- Closing Balance	72,240	58,171

Note 11. Trade and other payables

Trade creditors	19,452	15,081
Other creditors & accruals	2,200	7,494
	21,652	22,575

Note 12. Provisions

Current		
Provision for annual leave	7,176	7,817
Non-Current		
Provision for long service leave	3,433	2,243
Number of employees at year end	3	4

Notes to the financial statements continued

	2009 \$	2008 \$
Note 13. Contributed equity		
598,251 Ordinary shares fully paid of \$1 each (2008: 598,251)	598,251	598,251
Less: equity raising expenses	(21,118)	(21,118)
	577,133	577,133

Rights attached to shares

(a) Voting Rights

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

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

The purpose of giving each shareholder only one vote, regardless of the number of shares held, is to reflect the nature of the Company as a community based company, by providing that all 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 shareholder in proportion to the amount of the share capital paid up on the shares held by them, subject to any special rights and restrictions for the time being attaching to shares. The Franchise Agreement with Bendigo and Adelaide Bank Limited contains a limit on the level of profits or funds that may be distributed to shareholders. There is also a restriction on the payment of dividends to certain shareholders if they have a prohibited shareholding interest (see below).

(c) Transfer

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

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

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:

Notes to the financial statements continued

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 311. As at the date of this report, the Company had 344 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 shareholder’s associate) to dispose of the number of shares the Board considers necessary to remedy the breach. If a person fails to comply with such a notice within a specified period (that must be between three and six months), the Board is authorised to sell the specified Shares on behalf of that person. The holder will be entitled to the consideration from the sale of the Shares, less any expenses incurred by the Board in selling or otherwise dealing with those shares.

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

	2009	2008
	\$	\$

Note 14. Accumulated losses

Balance at the beginning of the financial year	(125,663)	(141,909)
Net profit/(loss) from ordinary activities after income tax	(30,604)	16,246
Dividends paid or provided	(20,939)	-
Balance at the end of the financial year	(177,206)	(125,663)

Notes to the financial statements continued

	2009 \$	2008 \$
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	(30,604)	16,246
Non cash items:		
- depreciation	16,582	17,402
- amortisation	2,000	2,000
Changes in assets and liabilities:		
- (increase)/decrease in receivables	2,694	(4,282)
- (increase)/decrease in other assets	(14,069)	(1,740)
- increase/(decrease) in payables	(923)	(2,353)
-increase/(decrease) in provisions	549	818
Net cashflows provided by/(used in) operating activities	(23,771)	28,091

Notes 16. Auditors' remuneration

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

- audit & review services	4,200	4,000
- non audit services	4,334	1,540
	8,534	5,540

Notes to the financial statements continued

Note 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

Lorraine Mary Anning

Leslie James Nielsen

Laurel Robyn Cottone

Douglas Edward Spoor (Appointed 24 March 2009)

Rodney Gordon Edwards (Resigned 23 September 2008)

Vito William Musemecci (Resigned 28 November 2008)

Michael Alan Owens (Resigned 14 January 2009)

Christine Tanya Owens (Resigned 14 January 2009)

Salvatore Nucifora (Resigned 23 June 2009)

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

	2009	2008
	\$	\$
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	900
Lorraine Mary Anning, in the capacity of hotelier, provided food and alcohol as part of the Christmas party to the value of	254	-

Notes to the financial statements continued

Note 17. Director and related party disclosures continued)

Directors' shareholdings	2009	2008
Desley Audrey Vella	8,000	8,000
John Peter Leggett	5,000	5,000
Lorraine Mary Anning	11,500	11,500
Leslie James Nielsen	5,000	5,000
Laurel Robyn Cottone	20,000	20,000
Douglas Edward Spoor (Appointed 24 March 2009)	10,000	-
Rodney Gordon Edwards (Resigned 23 September 2008)	6,000	6,000
Vito William Musemeci (Resigned 28 November 2008)	1,000	1,000
Michael Alan Owens (Resigned 14 January 2009)	4,000	4,000
Christine Tanya Owens (Resigned 14 January 2009)	-	-
Salvatore Nucifora (Resigned 23 June 2009)	-	-

2009	2008
\$	\$

Note 18. Dividends paid or provided

a. Dividends paid during the year

Prior year proposed final

Unfranked dividend - 3.5 cents per share	20,939
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Note 19. Earnings per share

(a) Profit attributable to the ordinary equity holders of the

Company used in calculating earnings per share	(30,604)	16,246
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(b) Weighted average number of ordinary shares used as the

denominator in calculating basic earnings per share	598,251	598,251
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Note 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.

Note 21. Contingent liabilities

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

Notes to the financial statements continued

Note 22. Segment reporting

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

Note 23. Registered office/Principal place of business

The registered office and principal place of business is:

Registered office	Principal place of business
55 Munro Street	55 Munro Street
Babinda QLD 4861	Babinda QLD 4861

Note 24. Financial instruments

Net fair values

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

Credit risk

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

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

Interest rate risk

Financial instrument	Floating interest rate		Fixed interest rate maturing in						Non interest bearing		Weighted average effective interest rate	
			1 year or less		Over 1 to 5 years		Over 5 years					
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	%	%
Financial assets												
Cash assets	22,882	53,851	-	-	-	-	-	-	-	-	0.05	0.05
Common Fund	72,105	87,099	-	-	-	-	-	-	-	-	5.52	7.08
Term Deposit	-	-	21,254	20,000	-	-	-	-	-	-	6.14	8.40
Receivables	-	-	-	-	-	-	-	-	24,080	26,774	N/A	N/A
Financial liabilities												
Payables	-	-	-	-	-	-	-	-	21,652	22,575	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 2009 and of its performance for the financial year ended on that date; and
 - (ii) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- (c) the audited remuneration disclosures set out in the remuneration report section of the directors' report comply with Accounting Standard AASB174 Related Party Disclosures and the Corporations Regulations 2001.

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 28th of August 2009.

Independent audit report



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INDEPENDENT AUDITOR'S REPORT

To the members of Babinda Community Financial Services Limited

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

Directors' Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

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

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 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 Babinda Community Financial Services Limited is in accordance with the Corporations Act 2001 including
 - (a) giving a true and fair view of the company's financial position as at 30 June 2009 and of its financial performance and its cash flows for the year then ended and;
 - (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001 and;
- 2) The financial statements and notes also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

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

Auditor's Opinion

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



DAVID HUTCHINGS

ANDREW FREWIN & STEWART
61-65 Bull Street Bendigo 3550

Dated this day 22nd of September 2009

Babinda Community Bank® Branch
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Phone: (07) 4067 2934

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55 Munro Street, Babinda QLD 4861
ABN 87 118 659 993

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Bendigo and Adelaide Bank Limited,
The Bendigo Centre, Bendigo VIC 3550
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