

annual report 2009



Beaconsfield District Community
Financial Services Limited
ABN 18 134 858 889

Beaconsfield District **Community Bank**[®] Branch

Contents

Chairman's report	2-4
Manager's report	5
Treasurer's report	6-7
Financial statements - unaudited	8-10
Notes to the financial statements - unaudited	11

Chairman's report

For period ended 31 December 2009

Performance for the financial year to date

When we opened our doors on 15 September 2009, we had \$9.42 million worth of business on our books. I am proud to announce that in the seven months since that momentous day, the total business on our books today is more than \$26 million. We are on track to achieve our prospectus budget of 120% with a modified forecast projecting business on the books of \$32.4 million, which will mean we'll breakeven and produce our first operating profit before tax of about \$64,317 in the second year.

Business developments

Due to the fact that we have only opened up our **Community Bank**[®] branch within the last 12 months, the Company will not be in a position to pay any dividends in the 2009/10 financial year.

However, with the ongoing support of our shareholders, who can assist our Company to achieve, and surpass our prospectus forecasts, it would be very much appreciated if you can act as 'advocates' for Beaconsfield District **Community Bank**[®] Branch, so that we can start to return to the community and our shareholders in the short term future.

Community contributions

Despite only just having opened on 15 September 2009, we have been able to make small donations to various schools, groups and organisations. We hope in the not too distant future, we will be able to make grants, sponsorships and donations of substantial value. However, for our **Community Bank**[®] branch to be in this position, we need ongoing support from our community and shareholders to build Beaconsfield District **Community Bank**[®] Branch.

Financial year	Grants	Sponsorships	Donations	Total
2009/10	N/A	N/A	\$2,000 to date	\$2,000

Future

After a great 'awareness campaign' that allowed us to spread the word about the **Community Bank**[®] concept and the benefits to our community, that made having our own **Community Bank**[®] branch in Beaconsfield District a reality after a two years of dedication and commitment to the cause by all our founding Directors. This was reflected in a very successful prospectus launch on 1 April which on the night, we raised, with your help, share capital close to \$300,000 which indicated strong support from our community. This led to a fantastic opening of our **Community Bank**[®] branch on the 15 September, which was one of the proudest moments in my life to be part of bringing this 'asset' to Beaconsfield district.

Chairman's report continued

Since the opening, as mentioned earlier, we are on our way to exceeding even the best case forecast's that were mentioned in our prospectus after we had our 'feasibility study' undertaken by independent accountants, Richmond Sinnott and Delahunty during October 2008.

This a direct reflection of the Board of Director's that through volunteering our time and commitment, have brought you, our shareholders and customers to make this happen together with our friendly, professional and caring Branch Manager and staff.

After such a hugely positive and successful beginning, I am confident that our Company's future will continue to prosper. The Board of Directors and I are all committed to see our Company grow and reach the ultimate goal to invest back into our community to make a big difference within it.

We have since rolled out our School Banking Program to our local primary schools who are contacted by the Board and staff and then given the opportunity to be part of our **Community Bank**[®] branch. We plan to visit all local schools at a rate of two per term, which will allow the staff adequate time to service them personally and professionally, which we anticipate to get through eight local schools within the next 12 months. This initiative will continue well into the future.

Another long term goal is to work with the Officer community towards opening up a **Community Bank**[®] branch. This will be a long term project which will be dependent on Beaconsfield District's performance, Officer community's wishes and population growth.

Acknowledgements

I would also like to take this opportunity to thank the founding Directors, without whom, we would not have been able to make our **Community Bank**[®] branch a reality.

I would like to express my sincere appreciation and admiration to my fellow Directors, for their ongoing support, commitment and hard work over the past three years. We are all volunteers and community-minded individuals and have been true to making our community a better and stronger place, which has made Beaconsfield District a reality:-

Jim Byrne (Vice Chairman)	Carol Porter
Graeme Taylor (Company Secretary)	Ted French
Gerald Treasure(Treasurer)	Nick Hilder
Maurice Potter(Minute Secretary)	Peter Barton
Rohan Treasure	

Also, the newest members of our 'family', our fantastic branch staff:-

Michael Lazari (Branch Manager)	Erin Treasure(Customer Service Officer)
Elise Byrne(Customer Relations Officer)	Bronwyn Grey(Customer Service Officer)
Melanie Casey(Customer Service Officer)	Chanelle Roper (Customer Service Officer)

Our branch staff have also been pivotal in serving our community by being so loyal, committed and passionate about working with the Board of Directors and working in our **Community Bank**[®] branch. To them, on behalf of

Chairman's report continued

the Director's, I wish to thank you for everything you have done so far. We look forward to working with you all to build a wonderful and successful **Community Bank**[®] branch for Beaconsfield District.

In February of this year, we had to farewell Rebecca McDougall due to family commitments. Rebecca's experience was very pivotal in assisting us in training our new staff due to her having been employed by Bendigo Bank previously. She was very much liked by our customer, colleagues and the Board. We wish Rebecca and her family well for the future.

Yours sincerely,



Michael M. Muaremov
Chairman

Manager's report

For period ended 31 December 2009

Our **Community Bank**[®] branch has now been open for seven months and has already achieved its expected deposit and loan growth for a full year.

We now have a total of nearly 900 accounts which is rapidly increasing every day and we can anticipate this will only continue to rise as we progress through the year.

Our involvement in the local community enables our expansion by simply spreading the word that we are more than just a bank but a bank with a community focus and that every customer is treated with the greatest respect.

It was also quite pleasing that we were fortunate enough to gift monies on the day of our opening to local groups, schools and organizations and it will be even more pleasing when we can continue to do that moving forward.

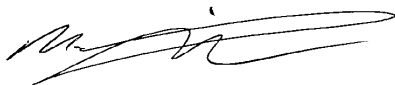
Our initial complement of staff consisted of Elise Byrne the full-time Customer Relationship Officer role, Rebecca McDougall was appointed as the full-time Customer Service Officer, while Melanie Casey and Erin Treasure shared the part-time Customer Service Officer duties.

The recent departure of Rebecca McDougall due to family commitments interstate enabled a re-assessment of branch structure therefore the creation of two additional part time Customer Service roles which would enable greater flexibility to service our growing **Community Bank**[®] branch.

The successful appointments of Bronwyn Grey and Chanelle Roper have slotted in nicely with our existing team structure. All of our staff continues to provide a level of service that is excellent and of which I am personally proud.

The tireless work efforts from our very own Beaconsfield District **Community Bank**[®] Board has been second to none and they continue to support our **Community Bank**[®] branch at every opportunity, and for this I can only applaud and say thank you as I certainly look forward to becoming even more successful with you.

Finally, it is through your support that we are able to support our community, so I would encourage you all to engage in conversations with your family and friends to support their **Community Bank**[®] branch.



Michael Lazari
Branch Manager

Treasurer's report

For period ended 31 December 2009

The finance sub-committee has been kept busy maintaining accounting records, budgets and cash flow since the incorporation of the Company on 9 January 2009.

Financial statements for the periods ended 31 December 2009 and 30 June 2009 are included in the annual report and have not been audited.

The operating results covering income since opening of the branch on 15 September 2009 to 28 February 2010 are summarised, as follows:

	\$
Gross income, commissions	65,405
Market development fund grants	6,250
Interest received - term deposit	2,515
	74,170
Less operating expenses	242,000
Net loss	167,830

The gross income and commissions were \$14,000 for February 2010 and are increasing monthly with the increases in business on the books.

The Market Development Fund income is being expended on advertising and promotion. Excess funds of \$200,000 from the capital raising after paying all establishment costs have been invested in term deposits and have generated interest of \$2,515.

The major expenses for the period include the following:

	\$
Establishment costs (being written-off over 5 years)	13,300
Printing and stationary	9,800
It lease and costs	21,054
Depreciation - plant and equipment	6,835
Insurances	3,260
Rents and rates	19,800
Superannuation - employees	10,800
Wages, salary and leave	129,100
Payroll tax	4,020

Treasurer's report continued

Income and expenses are compared to budgeted amounts monthly. The results compare favourably to the modified forecast included in the prospectus. Based on current and future business levels, we expect to exceed our budget expectations in year one.

I would like to thank the other finance committee members, Maurice Potter, Nick Hilder and Graeme Taylor and acknowledge the great contribution by our Bookkeeper Kerry Canning.



Gerald Treasure

Treasurer

Financial statements

Income statement - unaudited
For the half-year ended 31 December 2009

	Note	31/12/09 \$	30/06/09 \$
Revenue from ordinary activities		41,568	nil
Other revenue		986	nil
Salaries and employee benefit expense		(107,016)	nil
Depreciation and amortisation expense		(7,418)	(23,799)
Other expenses from ordinary activities		(65,204)	(3,026)
Profit / (loss) from ordinary activities before income tax expense		(137,084)	(26,825)
Income tax expense relating to ordinary activities		nil	nil
Net profit / (loss) attributable to members of the entity		(137,084)	(26,825)
Total changes in equity other than those resulting from transactions with owners as owners		(137,084)	(26,825)
Retained profits (accumulated losses) brought forward		(26,825)	-
Retained profits (accumulated losses)		(163,909)	(26,825)

The accompanying notes form part of these financial statements.

Financial statements continued

Balance sheet - unaudited As at 31 December 2009

	Note	31/12/09 \$	30/06/09 \$
Current assets			
Cash assets		253,832	737,907
Receivables		25,048	12,283
Other		8,892	nil
Total current assets		287,772	750,190
Non-current assets			
Leasehold, plant and equipment		202,457	nil
Intangibles		105,435	105,196
Total non-current assets		307,892	105,196
Total assets		595,664	855,386
Current liabilities			
Payables		4,187	134,750
Interest bearing liabilities		nil	nil
Provisions		3,425	nil
Total current liabilities		7,612	134,750
Non-current liabilities			
Interest bearing liabilities		nil	nil
Other		nil	nil
Total non-current liabilities		-	-
Total liabilities		7,612	134,750
Net assets (liabilities)		588,052	720,636
Equity			
Issued capital		751,961	747,461
Retained profits / (accumulated losses)		(163,909)	(26,825)
Total equity		588,052	720,636

The accompanying notes form part of these financial statements.

Financial statements continued

Statement of cash flows - unaudited For the half-year ended 31 December 2009

	Note	31/12/09 \$	30/06/09 \$
Cash flows from operating activities			
Cash receipts in the course of operations		41,569	nil
Cash payments in the course of operations		(307,701)	119,441
Interest paid		nil	nil
Interest received		985	nil
Net cash flows from (used in) operating activities		(265,147)	119,441
Cash flows from investing activities			
Payments for intangible assets		(14,136)	(128,995)
Payments for leasehold, plant and equipment		(209,292)	nil
Net cash flows (used in) investing activities		(223,428)	(128,995)
Cash flows from financing activities			
Proceeds from issue of shares		4,500	747,461
Proceeds from borrowings		nil	nil
Repayment of borrowings		nil	nil
Dividends paid		nil	nil
Net cash flows from (used in) financing activities		4,500	747,461
Net increase (decrease) in cash held		(484,075)	737,907
Opening cash brought forward		737,907	nil
Closing cash carried forward		253,832	737,907

The accompanying notes form part of these financial statements.

Notes to the financial statements - unaudited

For the half-year ended 31 December 2009

Note 1. Basis of preparation of the half-year financial statements

Basis of accounting

The half year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing.

The half year financial report should be read in conjunction with the annual financial report of Beaconsfield District Community Financial Services Ltd as at 30 June 2009 and any public announcements made by Beaconsfield District Community Financial Services Ltd during the half year in accordance with any continuous disclosure obligations arising under the Corporations Act 2001.

The half year condensed financial statements are a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001, applicable Accounting Standards including AASB 1029 "Interim Financial Reporting".

The accounting policies have been consistently applied and are consistent with those applied in the 30 June 2009 financial statements.

For the purpose of preparing the half year financial statements the half year has been treated as a discrete reporting period.

Note 2. Events subsequent to reporting date

There have been no events subsequent to reporting date that would materially effect the financial statements at the reporting date.

Note 3. Contingent assets and liabilities

Since the last annual reporting date there has been no material change of any contingent assets or liabilities at the date of this report to affect the financial statements.

Note 4. Segment reporting

The economic entity operates in the financial services sector where it provides banking services to its clients. The economic entity operates in one geographic area being Beaconsfield.

Note 5. Dividends paid

No dividends have been paid since the incorporation of the Company.

Beaconsfield District **Community Bank**[®] Branch
52-62 Old Princes Hwy, Beaconsfield VIC 3807
Phone: (03) 9769 5122 Fax: (03) 9707 0410

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52-62 Old Princes Hwy, Beaconsfield VIC 3807
Phone: (03) 9769 5122 Fax: (03) 9707 0410
ABN: 18 134 858 889

www.bendigobank.com.au/beaconsfield
Bendigo and Adelaide Bank Limited,
The Bendigo Centre, Bendigo VIC 3550
ABN 11 068 049 178. AFSL 237879. (BMPAR9104) (04/10)



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