

Beaufort Community
Financial Services Limited
ABN 53 097 961 058

2008 annual report



**BEAUFORT COMMUNITY
FINANCIAL SERVICES LIMITED**

Financial Statements

as at

30 June 2008

Beaufort Community Financial Services Ltd
ABN 53 097 961 058
Directors' Report

Your Directors submit their 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 are:

Robert John Byrne Chairman	John Thomas Roxburgh Director	Wesley David Forrest Director Appointed: 30/10/07
Ernest Edward Mitchell Welsh Director	Jillean Jean Franc Director	Tricia Collins Non Director Secretary Only Appointed: 30/10/07
David Robert Wood Director	Rodney Grant McErvale Director	Jeffrey Alan Torney Director Resigned: 16/08/07
Thomas Peter Oddie Director	Leonard James Carey Director Appointed: 30/10/07	Stephen George Lipscombe Executive Director Resigned: 08/08/07
Gregory Lofts Director		

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

Principal activities

The principal activities of the company during the course of the financial year were in providing community banking services under management rights to operate a franchised branch of the Bendigo Bank Limited.

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

Operating Results

Operations have continued to perform in line with expectations. The profit of the company for the financial year after provision for income tax was \$80,104 (2007: \$45,731).

Beaufort Community Financial Services Ltd
ABN 53 097 961 058
Directors' Report

Year Ended 30 June 2008

Dividends	Cents	\$
Final dividends recommended:	7.5 FF	32,283
Dividends paid in the year:		
- Interim for the year		
- As recommended in the prior year report	7.5 FF	32,283

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.

Significant events after the balance date

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 providing banking services to the community.

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. 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 Managers 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.

Beaufort Community Financial Services Ltd
ABN 53 097 961 058
Directors' Report

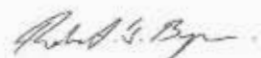
Directors Meetings

Number of Meetings Held: 12

The number of Directors meetings attended by each of the Directors of the company during the year were:

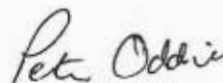
Robert John Byrne	12
John Thomas Roxburgh	7
Wesley David Forrest	8
Ernest Edward Mitchell Welsh	12
Jillean Jean Franc	11
David Robert Wood	8
Rodney Grant McErvale	12
Jeffrey Alan Torney	1
Leonard James Carey	8
Thomas Peter Oddie	11
Gregory Lofts	11
Tricia Collins	12

Signed in accordance with a resolution of the Board of Directors at Beaufort Community Services on 22nd September, 2008.



Robert John Byrne

(Chairman)



Thomas Peter Oddie

Chairman's Report 2008

It has been a privilege to be the Chairman of Beaufort Community Financial Services Ltd (BCFS) for the past year. In this time the business has continued to perform well, meeting or exceeding all targets. Under the guidance of Bendigo Bank and their **Community Bank**[®] principles and corporate governances, our **Community Bank**[®] branch of Bendigo Bank has continued to grow, with total business under management approaching \$56 million as at 30 June 2008.

Some exciting new developments have occurred this year that continue to improve the quality of banking services for Beaufort and district. In March we installed a 24 hour off-site ATM, located in the Community Resource Centre in Neill Street, Beaufort. The location has proven to be good for both local customers and the travelling public. Our total transactions (branch and ATM) have since grown to approximately 4000 per month.

In June we began the renovation and extension of the **Community Bank**[®] branch. This is a project that has been many years in the planning and has only been possible with the on-going support of our landlord. This investment in our future has transformed the branch into a modern banking facility capable of meeting all customer needs with improved privacy. It has also resulted in a vastly improved workplace for our staff.

Last year we realised the vision of the original steering committee with our first Community Grants Program and continued payment of dividends to shareholders. The 2008 Community Grants Program has built on this success, and we are pleased to announce the distribution of a total of \$86,191 in grants to 25 community groups. This is in addition to our ongoing program of sponsorship and donations throughout the year.

At the same time shareholders are being rewarded for their patient investment in our company. The dividend to shareholders this year is 7.5 cents per share fully franked – a total of \$32,283, and will be paid in December 2008. This is the third dividend that has been paid so far, making a total of \$86,088 in dividends that have been paid to shareholders over the past three years, or 20 cents per share.

During the year we changed the management of the **Community Bank**[®] share registry to Computershare, resulting in new share certificates being issued. Computershare also administer the payment of dividends and associated correspondence. We have also established a new trading platform for the buying and selling of **Community Bank**[®] shares, known as a Low Volume Market. This is an internet based system accessible via the Bendigo Bank web-site:

www.bendigobank.com.au>community>community bank>our branches>Beaufort>trading shares

This has proven to be a popular and transparent system for share transactions and I encourage you all to become familiar with how this facility works. Please contact the Company Secretary if you require more information on the Low Volume Market and share trading.

The Community Telco is another project that continues to develop and create profits for the community, with monthly profits currently being directed to the renovation of the Beaufort Scouts and Guides Hall.

This year we have had two new Directors on the Board of BCFS, Mr Len Carey and Mr Wes Forrest. Len and Wes have been valuable contributors, bringing to the Board a range of skills. This year Trish Collins (non-Director) was appointed Company Secretary. The administrative role continues to increase as the business grows and develops, and Trish has provided enormous support to the Board as Company Secretary.

I would like to pay tribute to one of our founding Directors and Chairman of the Board for our first four years, Mr Robert Wood. Robert has been a tireless champion of community banking who was instrumental in the establishment and early success of the Beaufort **Community Bank**[®] Branch. I would like to acknowledge Robert's contribution and thank him for his commitment and dedication to the Beaufort **Community Bank**[®] Branch.

This year the Board has had the pleasure of two junior observers, Kylie Bruty and Mel Holtkamp from Beaufort Secondary College. They have benefited from experiencing the workings of a company Board and have given the Directors exposure to youth affairs in our community. Kylie and Mel are working with Beaufort Secondary College on this year's project for the Vic Abdilla memorial donation from the **Community Bank**[®] branch.

In 2009 the Board hopes to provide a local employment opportunity for a school leaver, through the Bendigo Bank Career Initiative Program. This program aims to provide a school leaver with the opportunity for a career in the banking industry, with initial training in the Beaufort branch for six months followed by full-time employment within the Bendigo Bank network. This opportunity is possible following the renovation and expansion of the bank premises.

In closing I would like to thank the staff of the Beaufort **Community Bank**[®] Branch, Jenny Sheriff, Julie Lofts, Kathy Glenister, Wendy Crick and Shirley Wallish for their hard work and professionalism over the past year, particularly in working in the branch during the period of renovations. In her first year as Branch Manager Jenny has gained the confidence of the Board, staff, customers and community groups and produced excellent results. With the continued support of our shareholders, customers and the community, we look forward to further growth and success for our **Community Bank**[®] branch in 2009.



Robert Byrne
Chairman – BCFS
October 2008

Manager's Report

To all our shareholders, customers and supporters.

It has been just over a year since I transferred from Cooroy, Queensland, to the manager's role here in my old high school town of Beaufort. And what a year it has been!

Within a few weeks of my arrival, I attended the Annual General Meeting and was lucky enough to witness the distribution of about \$75,000 in community grants to local organisations – funds that were available as a direct result of the ongoing support we receive so generously from you and all of our customers. Since then, we have been given regular updates from those groups who received funds, and it is pleasing to see what a difference that money has made out in the community.

November saw us reach a milestone, with 50 customers supporting our own Beaufort Telco. The Telco has now distributed approximately \$2,500 to the current project, being the scout hall. We have also determined our next project, starting next year, which will be laptop computers to the community. Further information on this project is available from the branch.


In March, our ATM was finally installed in the main street of Beaufort, in the front window of the Community Resource Centre/Library. This facility has proven to be a worthwhile addition to the town, with many tourists and through-traffic making use of it.

And the latest of the year's highlights has been the renovation of the branch premises. Instead of having to share one office space, we now have two offices and a front liaison desk, all of which have been staffed. It is great to know that we can now bring in specialists like our Financial Planner Annette Blanch, Business Banking Manager Caius Ryan and AgriManager Marty Reither, and they have a space to work from.

On top of all that, and most importantly, our business continues to grow steadily.

It has been a great year, and on behalf of the team here I thank you all for your continued support. If you have any queries about your existing or future banking needs, please feel free to contact us.

Jenny Sheriff - Branch Manager.



Julie Loftis - Customer Relationship Officer.
Kathy Glenister - Customer Service Officer.
Shirley Wallish - Customer Service Officer.
Wendy Crick - Customer Service Officer.

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
BEAUFORT COMMUNITY FINANCIAL SERVICES LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2008 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

WHK Western Victoria Audit Partnership
615 Sturt Street Ballarat 3350



Bruce R Judkins
Audit Principal
Dated this 25th day of September 2008.

Total Financial Solutions

*Horwath refers to Horwath International Association, a Swiss Verein.
Each member of the Association is a separate and independent legal entity.*

Member Horwath International
WHK Western Victoria Audit Partnership
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615 Sturt Street Ballarat Victoria 3350
PO Box 44 Ballarat Victoria 3353
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A WHK Group Firm

Beaufort Community Financial Services Limited
ABN 53 097 961 058
Income Statement
for the year ended 30 June 2008

	<u>Notes</u>	2008 \$	2007 \$
Revenues	2	602,956	536,533
Employee benefits expense	3	(240,277)	(216,380)
Depreciation and amortisation expense	3	(18,447)	(17,865)
Finance costs	3	(3,961)	(527)
Other expenses		<u>(236,422)</u>	<u>(235,714)</u>
Profit/(loss) before income tax expense		103,849	66,047
Income tax expense	4	<u>23,745</u>	<u>20,316</u>
Profit/(loss) after income tax expense		<u><u>80,104</u></u>	<u><u>45,731</u></u>

The accompanying notes form part of these financial statements

Beaufort Community Financial Services Limited
ABN 53 097 961 058
Balance Sheet
As at 30 June 2008

	<u>Notes</u>	2008 \$	2007 \$
Current Assets			
Cash assets	6	111,421	142,541
Investment Portfolio	6	280,518	315,965
Receivables	7	53,250	47,621
Current tax receivable	4	-	20,585
Other		4,695	6,232
Total Current Assets		<u>449,884</u>	<u>532,944</u>
Non-Current Assets			
Property, plant and equipment	8	66,667	55,127
Deferred income tax asset	4	-	-
Intangible assets	9	57,589	67,589
Total Non-Current Assets		<u>124,256</u>	<u>122,716</u>
Total Assets		<u>574,140</u>	<u>655,660</u>
Current Liabilities			
Payables	10	20,411	52,678
Interest bearing liabilities	11	-	5,343
Current tax payable	4	11,745	-
Provisions	12	12,907	22,612
Total Current Liabilities		<u>45,063</u>	<u>80,633</u>
Non-Current Liabilities			
Interest bearing liabilities	11	-	17,806
Total Non-Current Liabilities		<u>-</u>	<u>17,806</u>
Total Liabilities		<u>45,063</u>	<u>98,439</u>
Net Assets/(Liabilities)		<u>529,077</u>	<u>557,221</u>
Equity			
Share capital	13	430,440	430,440
Revaluation Reserve		(75,965)	8,129
Retained earnings		174,602	118,652
Total Equity		<u>529,077</u>	<u>557,221</u>

The accompanying notes form part of these financial statements

Beaufort Community Financial Services Ltd
ABN 53 097 961 058
Cash Flow Statement
For the year ended 30 June 2008

	<u>Notes</u>	2008 \$	2007 \$
Cash Flows From Operating Activities			
Cash receipts in the course of operations		557,074	504,464
Cash payments in the course of operations		(477,186)	(465,515)
Interest paid		(3,961)	(456)
Interest received		10,705	20,771
Income tax paid		11,585	(32,172)
Net cash flows from/(used in) operating activities	14b	<u>98,217</u>	<u>27,092</u>
Cash Flows From Investing Activities			
Payment for intangible assets		-	(70,000)
Purchase of property, plant and equipment		(65,305)	(24,661)
Increase in Investments		(8,600)	(300,000)
Net cash flows from/(used in) investing activities		<u>(73,905)</u>	<u>(394,661)</u>
Cash Flows From Financing Activities			
Proceeds from borrowings		-	23,149
Repayment of borrowings		(23,149)	
Finance lease payments		-	
Dividends paid		(32,283)	(21,522)
Net cash flows from/(used in) financing activities		<u>(55,432)</u>	<u>1,627</u>
Net increase/(decrease) in cash held		(31,120)	(365,942)
Add opening cash brought forward		142,541	508,483
Closing cash carried forward	14a	<u><u>111,421</u></u>	<u><u>142,541</u></u>

The accompanying notes form part of these financial statements

Beaufort Community Financial Services Limited
ABN 53 097 961 058
Statement of Changes in Equity
for the year ended 30 June 2008

	Ordinary Shares	Retained Earnings	Revaluation Reserve	Total
	\$	\$	\$	\$
Balance at 1 July 2004	430,440	-172,868		257,572
Profit after income tax		134,401		134,401
Balance at 30 June 2005	430,440	-38,467		391,973
Profit after income tax		132,910		132,910
Balance at 30 June 2006	430,440	94,443		524,883
Profit after income tax		45,731		45,731
Dividend Paid		-21,522		-21,522
Revaluation Reserve			8,129	8,129
Balance at 30 June 2007	430,440	118,652	8,129	557,221
Profit after income tax		80,104		80,104
Dividend Paid		-32,283		-32,283
Revaluation Reserve			-75,965	-75,965
Balance at 30 June 2008	430,440	174,602	-75,965	529,077

The accompanying notes form part of these financial statements

Beaufort Community Financial Services Limited
ABN 53 097 961 058
Notes to the Financial Statements
for the year ended 30 June 2008

1. Basis of preparation of the Financial Report

(a) Basis of accounting

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 and applicable Australian Accounting Standards and other mandatory professional reporting requirements.

The financial report has been prepared on an accruals basis and is based on historical costs (except for land and buildings and available-for-sale financial assets that have been measured at fair value) and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

(b) Statement of compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ('AIFRS'). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards ('IFRS'). Australian Accounting Standards that have been recently issued or amended, but are not yet effective, have not been adopted in the preparation of this financial report.

(c) Significant accounting policies

The following is a summary of the material accounting policies adopted. The accounting policies have been consistently applied and are consistent with those applied in the 30 June 2006 financial statements.

Income tax

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled.

1. Basis of preparation of the Financial Report (continued)

Property, plant and equipment

Property, plant and equipment are brought to account at cost less accumulated depreciation and any impairment in value.

Land and buildings are measured at fair value less accumulated depreciation.

Depreciation is calculated on a straight line basis over the estimated useful life of the asset as follows:

<i>Class of Asset</i>	<i>Depreciation Rate</i>
Fixtures & Fittings	15.00%
Plant & Equipment	25.00%
Motor Vehicle	18.75%

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

If any such indication exists and where the carrying value exceeds the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater 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.

Revaluations

Following initial recognition at cost, land and buildings are carried at a revalued amount which is the fair value at the date of the revaluation less any subsequent accumulated depreciation on buildings and accumulated impairment losses.

Fair value is determined by reference to market based evidence, which is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date.

Any revaluation surplus is credited to the asset revaluation reserve included in the equity section of the balance sheet unless it reverses a revaluation decrease of the same asset previously recognised in the income statement.

Any revaluation deficit is recognised in the income statement unless it directly offsets a previous surplus of the same asset in the asset revaluation reserve.

An annual transfer from the asset revaluation reserve is made to retained earnings for the depreciation relating to the revaluation surplus.

Recoverable amount of assets

At each reporting date, the company assesses whether there is any indication that an asset is impaired. Where an indicator of impairment exists, the company makes a formal estimate of the recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Beaufort Community Financial Services Limited
ABN 53 097 961 058
Notes to the Financial Statements
for the year ended 30 June 2008

1. Basis of preparation of the Financial Report (continued)

Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet. Cash flows are included in the cash flow statement 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 operating cash flows.

Employee Benefits

The provision for employee benefits to wages, salaries and annual leave represents the amount which the company has a present obligation to pay resulting from employees' services provided up to the balance date. The provision has been calculated on undiscounted amounts based on wage and salary rates expected to be paid and includes related on-costs.

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

Intangibles

Establishment costs have been initially recorded at cost and amortised on a straight line basis at a rate of 20% per annum.

Cash

Cash on hand and in banks are stated at nominal value.

For the purposes of the cash flow statement, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.

Comparative Figures

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

Revenue

Interest and fee revenue is recognised when earned. All revenue is stated net of the amount of goods and services tax (GST).

Beaufort Community Financial Services Limited
ABN 53 097 961 058
Notes to the Financial Statements
for the year ended 30 June 2008

1. Basis of preparation of the Financial Report (continued)

Receivables and Payables

Receivables and payables are non interest bearing and generally have payment terms of between 30 and 90 days. Receivables are recognised and carried at original invoice amount less a provision for any uncollected debts. 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.

Interest Bearing Liabilities

All loans are 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 Capital

Issued and paid up capital is 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.

2. Revenue

	2008	2007
	\$	\$
Operating activities		
- services commissions	557,074	506,335
- other revenue	-	-
Total revenue from operating activities	<u>557,074</u>	<u>506,335</u>
Non-operating activities:		
- interest received	10,705	20,771
- other revenue	35,177	9,427
Total revenue from non-operating activities	<u>45,882</u>	<u>30,198</u>
Total revenue	<u><u>602,956</u></u>	<u><u>536,533</u></u>

Beaufort Community Financial Services Limited

ABN 53 097 961 058

**Notes to the Financial Statements
for the year ended 30 June 2008**

3. Expenses

	2008	2007
	\$	\$
Employee benefits expense		
- wages and salaries	209,548	189,544
- superannuation costs	17,771	17,617
- post-employment benefits (other than superannuation)	-	-
- workers' compensation costs	960	669
- other costs	11,998	8,550
	<u>240,277</u>	<u>216,380</u>
Depreciation of non-current assets:		
- plant and equipment	8,447	8,819
- buildings	-	-
Amortisation of non-current assets:		
- intangibles	10,000	9,046
	<u>18,447</u>	<u>17,865</u>
Finance Costs:		
- Interest paid	3,961	456
- Bad debts	-	71
	<u>3,961</u>	<u>527</u>

4. Income Tax Expense

The prima facie tax on profit/(loss) before income tax is reconciled to the income tax expense as follows:

Prima facie tax on profit/(loss) before income tax at 30%	31,155	19,814
Add tax effect of:		
- Non-deductible expenses	(7,410)	502
- Prior year tax losses not previously brought to account	-	-
- Deferred tax assets not brought to account	-	-
<i>Current income tax expense</i>	<u>23,745</u>	<u>20,316</u>
Origination and reversal of temporary differences		
<i>Deferred income tax expense</i>	<u>-</u>	<u>-</u>
Income tax expense	<u>23,745</u>	<u>20,316</u>
Tax liabilities		
Current tax payable	<u>11,745</u>	<u>(20,585)</u>
Deferred income tax asset		
Deferred tax assets arising from tax losses are recognised at reporting date as realisation of the benefit is regarded as probable.	<u>-</u>	<u>-</u>

Beaufort Community Financial Services Limited

ABN 53 097 961 058

**Notes to the Financial Statements
for the year ended 30 June 2008**

5. Auditors' Remuneration

	2008	2007
	\$	\$
Amounts received or due and receivable by Evans & Metcalfe for:		
- Audit or review of the financial report of the company	2,000	750
- Other services in relation to the company	-	-
	<u>2,000</u>	<u>750</u>

6. Cash Assets

Cash at bank and on hand	111,421	142,541
Investment Portfolio	280,518	315,965
	<u>391,939</u>	<u>458,506</u>

7. Receivables

GST receivable		1,117
Trade debtors	53,250	46,504
	<u>53,250</u>	<u>47,621</u>

8. Property, Plant and Equipment

Plant and equipment

At cost	106,435	92,342
Less accumulated depreciation	39,768	37,215
	<u>66,667</u>	<u>55,127</u>
Total written down amount	<u>66,667</u>	<u>55,127</u>

Movements in carrying amounts

Plant & Equipment

Carrying amount at beginning of year	55,127	43,412
Additions	45,455	33,115
Disposals	(25,468)	(12,582)
Depreciation expense	(8,447)	(8,818)
Carrying amount at end of year	<u>66,667</u>	<u>55,127</u>

Beaufort Community Financial Services Limited

ABN 53 097 961 058

**Notes to the Financial Statements
for the year ended 30 June 2008**

9. Intangible Assets

	2008	2007
	\$	\$
<i>Franchise Fee</i>		
At cost	120,000	120,000
Less accumulated amortisation	<u>62,411</u>	<u>52,411</u>
	<u>57,589</u>	<u>67,589</u>
<i>Preliminary Expenses</i>		
At cost	-	-
Less accumulated amortisation	<u>-</u>	<u>-</u>
	<u>57,589</u>	<u>67,589</u>

10. Payables

Trade creditors	13,999	10,487
Other creditors and accruals	<u>6,412</u>	<u>42,191</u>
	<u>20,411</u>	<u>52,678</u>

11. Interest Bearing Liabilities

Bank overdraft	-	-
Chattel Mortgage (Motor Vehicle)	<u>-</u>	<u>23,149</u>
	<u>-</u>	<u>23,149</u>

Chattel Mortgage is repayable monthly with the final instalment due in March 2010. Interest is recognised at an average rate of 7.60%
The loan is secured by mortgage over the motor vehicle.

12. Provisions

Employee benefits	<u>12,907</u>	<u>22,612</u>
Number of employees at year end	<u>5</u>	<u>5</u>

13. Share Capital

430,440 Ordinary Shares fully paid of \$1 each	<u>430,440</u>	<u>430,440</u>
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Beaufort Community Financial Services Limited
ABN 53 097 961 058
Notes to the Financial Statements
for the year ended 30 June 2008

14. Cash Flow Statement

	2008	2007
	\$	\$
(a) Reconciliation of cash		
Cash assets	111,421	142,541
Bank overdraft	-	-
	<u>111,421</u>	<u>142,541</u>
(b) Reconciliation of profit / (loss) after tax to net cash provided from/(used in) operating activities		
Profit / (loss) after income tax	80,104	45,731
Non cash items		
- Depreciation	8,447	8,819
- Amortisation	9,615	8,661
- Loss on sale of Non-Current Asset	1,868	4,127
Changes in assets and liabilities		
- (Increase) decrease in other assets	(18,514)	-
- (Increase) decrease in receivables	11,924	(30,291)
- Increase (decrease) in payables	(267)	(18,920)
- Increase (decrease) in provisions	4,995	8,965
- Increase (decrease) in income tax	-	-
Net cashflows from/(used in) operating activities	<u>98,172</u>	<u>27,092</u>

15. Director and Related Party Disclosures

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

Robert John Byrne
John Thomas Roxburgh
Wesley David Forrest
Ernest Edward Mitchell Welsh
Jillean Jean Franc
#REF!
David Robert Wood
Rodney Grant McErvale
Jeffrey Alan Torney
Leonard James Carey
Gregory Lofts
Thomas Peter Oddie
Stephen George Lipscombe

No director or related entity has entered into a material contract with the company. No director's fees have been paid as the positions are held on a voluntary basis.

Beaufort Community Financial Services Limited
ABN 53 097 961 058
Notes to the Financial Statements
for the year ended 30 June 2008

Directors shareholdings	2008
Robert John Byrne	750
John Thomas Roxburgh	1,000
Wesley David Forrest	-
Ernest Edward Mitchell Welsh	3,000
Jillean Jean Franc	5,000
David Robert Wood	2,500
Rodney Grant McErvale	250
Thomas Peter Oddie	1,050
Leonard James Carey	-
Gregory Lofts	500

There was no movement in directors shareholdings during the year. Each share held has a paid up value of \$1 and is fully paid.

16. Subsequent Events

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

17. Contingent Liabilities

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

18. 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 Beaufort, Victoria.

19. Corporate Information

Beaufort Community Financial Services Ltd is a company limited by shares incorporated in Australia.

The registered office and principal place of business is: 17 Lawrence Street Beaufort Victoria 3373.

Beaufort Community Financial Services Limited
ABN 53 097 961 058
Notes to the Financial Statements
for the year ended 30 June 2008

20. Dividends paid or provided for on ordinary shares	2008	2007
	\$	\$
(a) Dividends proposed and recognised as a liability		
Franked dividends - 7.5 cents per share (2007: 0 cents)	32,283	-
(b) Dividends paid during the year		
(i) Current year interim		
Franked dividends - 0 cents per share (2007: 0 cents per share)	-	-
Unfranked dividends - 0 cents per share (2007: 0 cents per share)	-	-
(ii) Previous year final		
Franked dividends - 7.5 cents per share (2007: 0 cents per share)	32,283	-
Unfranked dividends - 0 cents per share (2007: 5 cents per share)	-	21,522
(c) Dividends proposed and not recognised as a liability		
Franked dividends - 0 cents per share (2007: 7.5 cents per share franked)	-	32,283
(d) Franking credit balance		
The amount of franking credits available for the subsequent financial year are:		
- Franking account balance as at the end of the financial year at 30%	41,751	32,172
- Franking credits that will arise from the payment of income tax payable as at the end of the financial year	11,745	14,415
- Franking debits that will arise from the payment of dividends as proposed	(13,836)	(13,836)
- Franking credits that will arise from the payment of dividends recognised as receivables at the reporting date	-	-
- Franking credits that the entity may be prevented from distributing in the subsequent year	-	-
	<u>39,660</u>	<u>32,751</u>

Dividends proposed will be franked at a rate of 30%.

21. Financial Instruments

Net Fair Values

The net fair values of financial assets and liabilities approximate the carrying values as disclosed in the Balance Sheet. The company does not have any unrecognised financial instruments at year end.

Credit Risk

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

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

Interest Rate Risk

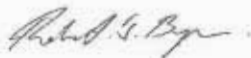
Financial Instrument	Floating Interest Rate		Fixed Interest Rate maturing in						Non Interest Bearing		Weighted average Effective interest rate	
	2007 \$	2006 \$	1 year or less		Over 1 to 5 years		Over 5 years		2007 \$	2006 \$	2007 %	2006 %
Financial Assets												
Cash assets	5.95%	5.40%	128,799	463,940	-	-	-	-	13,742	44,543	-	-
Investment Portfolio	5.32%		315,965	-	-	-	-	-	-	-	-	-
Receivables	-		46,504	46,216	-	-	-	-	-	-	-	-
Financial Liabilities												
Payables	-	-	-	-	-	-	-	-	52,678	62,869	-	-
Interest bearing liabilities	-	-	-	-	-	-	-	-	23,149	-	7.60%	-

Beaufort Community Financial Services Ltd
ABN 53 097 961 058
Directors' Declaration

In accordance with a resolution of the directors of Beaufort Community Financial Services Limited,
I state that:

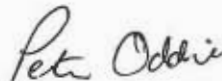
In the opinion of the directors:

- (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 their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards in Australia and Corporations Regulations 2001;
- (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; and
- (c) this declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the Corporations Act 2001 for the financial year ending 30 June 2008



Robert John Byrne

(Chairman)



Thomas Peter Oddie

(Director)

Signed at Beaufort on the 22nd September, 2008.

Beaufort **Community Bank**[®] Branch
17 Lawrence Street, Beaufort VIC 3373
Phone: (03) 5349 2322

Franchisee: Beaufort Community Financial Services Limited
17 Lawrence Street, Beaufort VIC 3373
Phone: (03) 5349 5579
ABN 53 097 961 058

www.bendigobank.com.au

Bendigo and Adelaide Bank Limited, The Bendigo Centre, Bendigo VIC 3550
ABN 11 068 049 178. AFSL 237879. (BMPAR8017) (08/08)