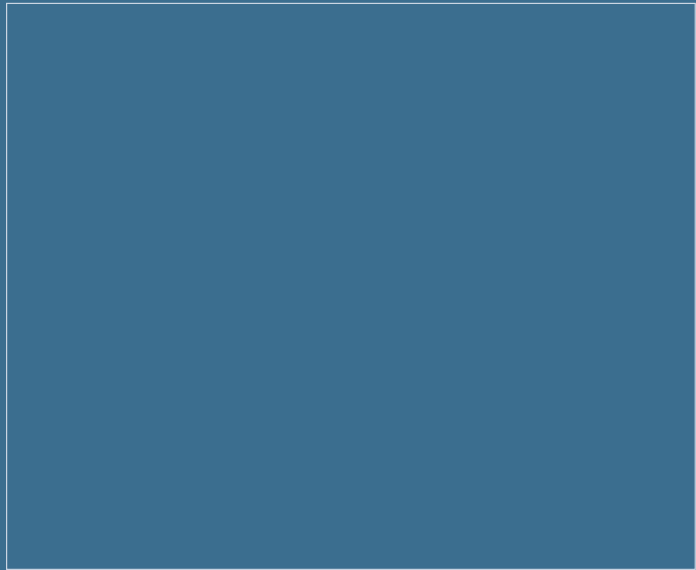
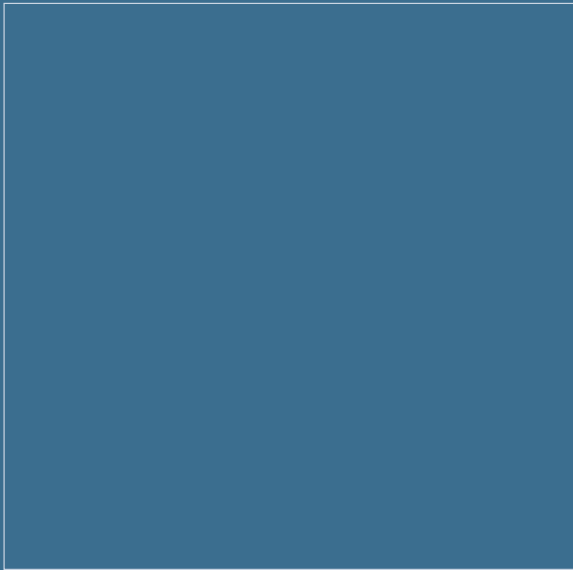


annual report | 2009



Beaumaris Community
Financial Services Limited
ABN 25 100 506 643

Beaumaris **Community Bank**[®] Branch

Contents

Chairman's report	2-3
Manager's report	4
Directors' report	5-8
Financial statements	9-12
Notes to the financial statements	13-25
Directors' declaration	26
Independent audit report	27-28

Chairman's report

For year ending 30 June 2009

The financial year 2008/09 will go down as one of the most tumultuous 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.

In the context of these dramatic events I am relieved to report that Beaumaris Community Financial Services Limited returned a small profit for the year 2008/09. Our surplus of \$5,602 was well down on last year's figure of \$97,851 and a world away from the profit we had intended to make. That a profit was achieved at all is a testament to the hard work of Rob Fenton and his wonderful staff, our passionate and committed Board of Directors, and the sound financial management of our franchise partners Bendigo and Adelaide Bank Ltd.

Community Bank[®] branches have not escaped the fallout from the global turmoil. Like Bendigo and Adelaide Bank Ltd, we have received far less income than in normal times. We have received a huge inflow of funds from our customers but we have also seen major challenges to the profitability of our business as margins were heavily squeezed. In particular the rapid downward movement of interest rates by the Reserve Bank of Australia during the course of the year had a major impact on our income.

We worked diligently to limit expenses throughout the year and are proud to have been able to maintain our quality of customer services, but inevitably our profitability suffered. Earlier this year I indicated that we would not be paying a dividend in any form this year and this remains the decision of your Board of Directors.

Amidst all that turmoil, though, our grassroots banking movement marched steadily on both in Beaumaris and around the country. During the year, 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 understands 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. 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, not least of which is over \$29 million paid out in community projects.

Chairman's report continued

In Beaumaris we have continued our support of a large number of local community organizations - ranging from the Beaumaris Men's Shed project through to the major local sporting clubs. The community forum steered by Pilot Boat 3193 has continued to expand and is starting to take on an active role in the formation of programmes and initiatives to develop an increasing community spirit in Beaumaris and Black Rock.

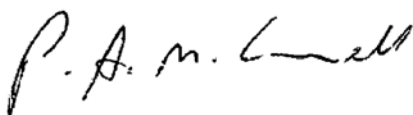
Beaumaris Community Financial Services Limited started and developed in Beaumaris. But this year we are shifting our focus to understanding that Black Rock is every bit as important as Beaumaris in the development of our community. We are undertaking a number of initiatives to address this, including a first step of sourcing an ATM to serve the Black Rock shopping area.

Our website has been developed and has undergone a very early re-naming to become www.my3193.com.au. The subtitle to this site is that it is the website for the Beaumaris and Black Rock communities and the postcode 3193, which covers both areas, is a very suitable name. The content of our site has also vastly expanded during the year and now contains a great deal of pertinent and up to date information relevant to our entire community.

My thanks again go to our great team of people at the branch, capably led by Rob Fenton. They understand that you are a person, not a number, and they will give you as much time and care as you need for all your financial needs. Our hard working Board of Directors put in an amazing amount of time promoting the **Community Bank**[®] concept and developing our business. This year our youngest Director Sally Jones regrettably left us, but only because her Company offered her a career-enhancing position in the USA. In her place we have Peter Goodear, who is a business person based in Black Rock and brings to the Board a great deal of entrepreneurial expertise. As a shareholder you will have received an invitation to nominate yourself or a person known to you as sharing the passion for the **Community Bank**[®] concept to become a Director of our Company.

Our Annual General Meeting will take place this year at the Black Rock Yacht Club at 7pm on Tuesday 24 November. A part of our meeting will be the presentation of 2009 Community Grants to a number of local organizations and I would urge that you attend to see for yourself what your Company can do and of course to meet with our Board of Directors.

I do not think any one of us will be sad to see the end of this dismal financial year, but I am heartened by the fact that we remain on track to provide to our community a service that they truly want, and to put back in to the community a measure of future support and development. I do thank you as our loyal shareholders for your forbearance in these troubled times but I feel truly honoured to chair a Company where our goals are so clearly to develop and enhance everyone's future in Beaumaris and Black Rock.



Philip McConnell
Chairman

Manager's report

For year ending 30 June 2009

The turbulent events which unfolded in the world's economies throughout the year to 30 June 2009 led to the most challenging circumstances which I have faced in my career as a banker.

Nevertheless, despite the significant uncertainties created by the global financial crisis, we managed to grow our business by 43%, from \$62.4 million to \$89.1 million. Additionally, it is very pleasing that another 220 customers opened accounts with us this year, bringing to 2,334 the total number of customers of our **Community Bank**[®] branch.

The significant majority of our business growth this year was in the area of deposits, especially term deposits. This was driven by global uncertainty and a 'flight to quality', underpinned by the quick and decisive response by the Australian Government in providing protection guarantees for bank deposits. Our challenge was then to maintain profitability for our business as the Reserve Bank rapidly reduced interest rates during the year.

Given the unprecedented financial conditions I believe we have achieved an excellent result, due to the continuing support shown by all areas of our wonderful community.

Our staff have, for various reasons, operated under very trying circumstances this year and my profound thanks go to Linda Aprea, Jana Sinclair, Barb West, Kim Pearce and Sue Thomas for their dedication, teamwork and significant efforts. I would like to thank Linda for capably stepping into the Supervisor's position, and we were delighted to welcome Jana to our team during the year.

We have recently appointed Ange Meo to the newly created position of Customer Relationship Officer, and she has been very busy meeting both new and existing customers and looking after their loan and deposit enquiries.

Your volunteer Board of Directors work long and hard to ensure that our branch remains strong and vibrant, and that it provides sustainable benefits for all sectors of our community – shareholders, customers, residents and community groups. They have given all of us wonderful support through the year and I thank them for their ongoing encouragement and guidance.

The year ahead will no doubt provide us with many challenges but I am pleased to say that we are well equipped to meet whatever lies ahead for us. We have survived the most fundamental challenge to our economy since the Great Depression in good shape. We intend to develop our business in a sound but prudent manner with people who genuinely care for the things we do. I am confident that we can continue to build on our successes.



Rob Fenton
Manager

Directors' report

For year ending 30 June 2009

Your Directors submit the financial 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 are:

Philip McConnell

Chairman

Occupation: Airport Manager

Elsie Johnstone (resigned 27 January 2009)

Director

Occupation: Wordsmith

Robin Douglas

Treasurer

Occupation: Office Manager

Richard Burrige

Director

Occupation: Insurance Broker (retired)

William Coxhell (resigned 25 November 2008)

Director

Occupation: Retired

Sally Jones (resigned 26 May 2009)

Director

Occupation: Accountant

David Hall

Company Secretary

Occupation: Retired

Allan Jones

Director

Occupation: Retired

Peter Goodear (appointed 27 January 2009)

Director

Occupation: Company Director

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

No Directors have material interests in contracts or proposed contracts with the Company.

Principal activities

The principal activities of the Company during the course of the financial year were in providing **Community Bank**[®] services under management rights to operate a franchised branch of Bendigo and Adelaide Bank Ltd.

Operating results

Operations for the financial year have resulted in a profit after income tax expense of \$5,602 (2008: \$97,851).

Dividends

No dividends were declared or paid for the previous year.

Directors' report continued

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.

Directors' report continued

Directors' meetings

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

Number of meetings held:	11
<hr/>	
Number of meetings attended:	
<hr/>	
Philip McConnell	11
<hr/>	
Robin Douglas	11
<hr/>	
Elsie Johnstone (resigned 27 January 2009)	5
<hr/>	
William Coxhell (resigned 25 November 2008)	-
<hr/>	
David Hall	9
<hr/>	
Allan Jones	10
<hr/>	
Richard Burr ridge	10
<hr/>	
Sally Jones (resigned 26 May 2009)	6
<hr/>	
Peter Goodear (appointed 27 January 2009)	5
<hr/>	

Company Secretary

David Hall was appointed Company Secretary on 21 November 2007. David's career began in journalism. Through youth work, social work and community development, social planning and administration he was appointed Director of Community Affairs Victoria (1983 - 1988) and later took up CEO positions with a community mental health organisation and the Victorian Deaf Society.

David maintains involvement in a range of community activities, and chairs the Community Services Panel of the Churchill Trust in Victoria. He provides occasional consulting as a sole trader registered as Change-Ability.

Corporate governance

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

- (a) The establishment of an audit committee. Members of the audit committee are William Coxhell (resigned 25 November 2008) and Robin Douglas;
- (b) Director approval of operating budgets and monitoring of progress against these budgets;
- (c) Ongoing Director training; and
- (d) Monthly Director meetings to discuss performance and strategic plans.

Auditor independence declaration

The Directors received the following declaration from the Auditor of the Company:

Richmond Sinnott & Delahunty
Chartered Accountants

Richmond Sinnott & Delahunty
Chartered Accountants



Partners:
Kenneth J Richmond
Warren J Sinnott
Philip P Delahunty
Brett A Andrews

4 August 2009

The Directors
Beamaris Community Financial Services Ltd
32 East Concourse
BEAUMARIS VIC 3193

Dear Directors

Auditor's Independence Declaration

In relation to our audit of the financial report of Beamaris Community Financial Services Limited for the year ended 30 June 2009, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

Warren Sinnott
Partner
Richmond Sinnott & Delahunty

Signed in accordance with a resolution of the Board of Directors at Beamaris, Victoria on 4 August 2009.

Philip McConnell
Chairman

Financial statements

Income statement For year ending 30 June 2009

	Note	2009 \$	2008 \$
Revenues from ordinary activities	2	491,635	570,781
Employee benefits expense	3	(260,231)	(226,634)
Charitable donations and sponsorship		(48,253)	(22,196)
Depreciation and amortisation expense	3	(24,116)	(26,140)
Finance costs	3	(110)	(6,303)
Other expenses from ordinary activities		(150,449)	(148,207)
Profit before income tax expense		8,476	141,301
Income tax expense	4	2,874	43,450
Profit after income tax expense		5,602	97,851
Earnings per share (cents per share)			
- basic for profit for the year	20	0.96	16.74
- diluted for profit for the year	20	0.96	16.74

The accompanying notes form part of these financial statements.

Financial statements continued

Balance sheet As at 30 June 2009

	Note	2009 \$	2008 \$
Current assets			
Cash assets	6	36,953	4,669
Receivables	7	63,598	62,691
Total current assets		100,551	67,360
Non-current assets			
Property, plant and equipment	8	89,586	103,702
Deferred income tax asset	4	118,113	120,987
Intangible assets	9	32,500	42,500
Total non-current assets		240,199	267,189
Total assets		340,750	334,549
Current liabilities			
Payables	10	33,245	36,613
Provisions	11	19,597	15,630
Total current liabilities		52,842	52,243
Total liabilities		52,842	52,243
Net assets		287,908	282,306
Equity			
Share capital	12	584,559	584,559
Accumulated losses	13	(296,651)	(302,253)
Total equity		287,908	282,306

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			
Cash receipts in the course of operations		539,722	613,004
Cash payments in the course of operations		(507,328)	(456,160)
Borrowing costs		(110)	(6,303)
Net cash flows used in operating activities	14b	32,284	150,541
Cash flows from investing activities			
Payments for intangible assets		-	(50,000)
Net cash flows used in investing activities		-	(50,000)
Net increase in cash held		32,284	100,541
Add opening cash brought forward		4,669	(95,872)
Closing cash carried forward	14a	36,953	4,669

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 \$
Share capital			
Ordinary shares			
Balance at start of year		584,559	584,559
Issue of share capital		-	-
Share issue costs		-	-
Balance at end of year		584,559	584,559
Accumulated losses			
Balance at start of year		(302,253)	(400,104)
Profit after income tax expense		5,602	97,851
Balance at end of year		(296,651)	(302,253)

The accompanying notes form part of these financial statements.

Notes to the financial statements

For year ending 30 June 2009

Note 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.

The financial report was authorised for issue by the Directors on 4 August 2009.

(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 2008 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.

Notes to the financial statements continued

Note 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:

Class of asset	Depreciation rate
Leasehold improvement	6.67%
Property, plant & equipment	10% - 30%

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.

Notes to the financial statements continued

Note 1. Basis of preparation of the financial report (continued)

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.

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.

Notes to the financial statements continued

Note 1. Basis of preparation of the financial report (continued)

Revenue

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

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.

	2009	2008
	\$	\$

Note 2. Revenue from ordinary activities

Operating activities

- services commissions	491,635	570,781
Total revenue from ordinary activities	491,635	570,781

Notes to the financial statements continued

	2009 \$	2008 \$
Note 3. Expenses		
Employee benefits expense		
- wages and salaries	218,726	201,215
- superannuation costs	26,861	16,220
- workers' compensation costs	786	671
- other costs	13,858	8,528
	260,231	226,634
Depreciation of non-current assets:		
- plant and equipment	9,882	11,916
- buildings	4,234	4,224
Amortisation of non-current assets:		
- intangibles	10,000	10,000
	24,116	26,140
Finance costs:		
- Interest paid	110	6,303
Bad debts	183	106

Note 4. Income tax expense

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

Prima facie tax on profit before income tax at 30%	2,543	42,390
Add tax effect of:		
Non-deductible expenses	331	1,060
Current income tax expense	2,874	43,450
Income tax expense	2,874	43,450
Deferred income tax asset		
Future income tax benefits arising from tax losses are recognised at reporting date as realisation of the benefit is regarded as probable	118,113	120,987

Notes to the financial statements continued

	2009 \$	2008 \$
--	------------	------------

Note 5. Auditors' remuneration

Amounts received or due and receivable by

Richmond, Sinnott & Delahunty for:

Audit or review of the financial report of the Company	3,650	3,650
---------------------------------------------------------------	--------------	--------------

Note 6. Cash assets

Cash on hand	36,953	4,669
---------------------	---------------	--------------

Note 7. Receivables

Accrued income	58,470	57,462
Prepayments	3,328	3,429
Deposits	1,800	1,800
	63,598	62,691

Note 8. Property, plant and equipment

Leasehold improvements

At cost	63,432	63,432
Less accumulated depreciation	(26,382)	(22,148)
	37,050	41,284

Plant and equipment

At cost	162,813	162,813
Less accumulated depreciation	(110,277)	(100,395)
	52,536	62,418

Total written down amount	89,586	103,702
----------------------------------	---------------	----------------

Movements in carrying amounts

Leasehold improvements

Carrying amount at beginning of year	41,284	45,508
Depreciation expense	(4,234)	(4,224)
Carrying amount at end of year	37,050	41,284

Notes to the financial statements continued

	2009 \$	2008 \$
--	------------	------------

Note 8. Property, plant and equipment (continued)

Plant and equipment

Carrying amount at beginning of year	62,418	74,334
Depreciation expense	(9,882)	(11,916)
Carrying amount at end of year	52,536	62,418

Note 9. Intangible assets

Franchise fee

At cost	50,000	50,000
Less accumulated amortisation	(17,500)	(7,500)
	32,500	42,500

Note 10. Payables

Trade creditors	16,335	11,813
Other creditors and accruals	16,910	24,800
	33,245	36,613

Note 11. Provisions

Employee benefits	19,597	15,630
Number of employees at year end	6	5

Note 12. Share capital

584,559 Ordinary shares fully paid of \$1 each	584,559	584,559
-------------------------------------------------------	----------------	----------------

Note 13. Accumulated losses

Balance at the beginning of the financial year	(302,253)	(400,104)
Profit after income tax	5,602	97,851
Balance at the end of the financial year	(296,651)	(302,253)

Notes to the financial statements continued

	2009 \$	2008 \$
Note 14. Cash flow statement		
(a) Reconciliation of cash		
Cash assets	36,953	4,669
(b) Reconciliation of profit after tax to net cash used in operating activities		
Profit after income tax	5,602	97,851
Non cash items		
- Depreciation	14,116	16,140
- Amortisation	10,000	10,000
Changes in assets and liabilities		
- (Increase) decrease in receivables	(907)	(17,181)
- Increase (decrease) in payables	(3,368)	1,067
- Increase (decrease) in provisions	3,967	(786)
- (Increase) decrease in deferred tax asset	2,874	43,450
Net cash flows used in operating activities	32,284	150,541

Note 15. Director and related party disclosures

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

Philip McConnell

Robin Douglas

Elsie Johnstone (resigned 27 January 2009)

William Coxhell (resigned 25 November 2008)

David Hall

Allan Jones

Richard Burridge

Sally Jones (resigned 26 May 2009)

Peter Goodear (appointed 27 January 2009)

Notes to the financial statements continued

Note 15. Director and related party disclosures (continued)

No Director or related entity has entered into a material contract with the Company during the year.

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

Directors' shareholdings	2009	2008
Philip McConnell	3,400	3,400
Robin Douglas	10,001	10,001
Elsie Johnstone (resigned 27 January 2009)	5,000	5,000
William Coxhell (resigned 25 November 2008)	3,001	3,001
David Hall	500	500
Allan Jones	1,000	1,000
Richard Burridge	1,000	1,000
Sally Jones (resigned 26 May 2009)	2,500	2,500
Peter Goodear (appointed 27 January 2009)	-	-

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

Note 16. Subsequent events

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

Note 17. Contingent liabilities

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

Note 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 Beaumaris, Victoria.

Note 19. Corporate information

Beaumaris Community Financial Services Ltd is a Company limited by shares incorporated in Australia.

The registered office and principal place of business is:

32 East Concourse,
Beaumaris VIC 3193

Notes to the financial statements continued

	2009 \$	2008 \$
--	------------	------------

Note 20. Earnings per share

Basic earnings per share amounts are calculated by dividing profit after income tax by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing profit after income tax by the weighted average number of ordinary shares outstanding during the year (adjusted for the effects of any dilutive options or preference shares).

The following reflects the income and share data used in the basic and diluted earnings per share computations:

Profit after income tax expense	5,602	97,851
Weighted average number of ordinary shares for basic and diluted earnings per share	584,559	584,559

Note 21. Financial risk management

The Company has exposure to credit risk, liquidity risk and market risk from their use of financial instruments.

This note presents information about the Company's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board has established an Audit Committee which reports regularly to the Board. The Audit Committee is assisted in the area of risk management by an internal audit function.

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. For the Company it arises from receivables and cash assets.

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. The Company's maximum exposure to credit risk at reporting date was:

	Carrying amount	
	2009 \$	2008 \$
Cash assets	36,953	4,669
Receivables	63,598	62,691
	100,551	67,360

Notes to the financial statements continued

Note 21. Financial risk management (continued)

(a) Credit risk (continued)

The Company's exposure to credit risk is limited to Australia by geographic area. The majority of receivables are due from Bendigo and Adelaide Bank Ltd.

None of the assets of the Company are past due (2008: nil past due) and based on historic default rates, the Company believes that no impairment allowance is necessary in respect of assets not past due.

The Company limits its exposure to credit risk by only investing in liquid securities with Bendigo and Adelaide Bank Ltd.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company ensures it will have enough liquidity to meet its liabilities when due under both normal and stressed conditions. Liquidity management is carried out within the guidelines set by the Board.

Typically, the Company maintains sufficient cash on hand to meet expected operational expenses, including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

In addition, the Company has an established overdraft facility of \$150,000 with Bendigo and Adelaide Bank Ltd.

The following are the estimated contractual maturities of financial liabilities, including estimated interest payments.

	Carrying amount \$	Contractual cash flows \$	1 year or less \$	Over 1 to 5 years \$	More than 5 years \$
30 June 2009					
Payables	33,245	(33,245)	(33,245)	–	–
	33,245	(33,245)	(33,245)	–	–
30 June 2008					
Payables	36,613	(36,613)	(36,613)	–	–
	36,613	(36,613)	(36,613)	–	–

(c) Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

Notes to the financial statements continued

Note 21. Financial risk management (continued)

(c) Market risk (continued)

Interest rate risk

Interest rate risk is that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company reviews the exposure to interest rate risk as part of the regular Board meetings.

Sensitivity analysis

At the reporting date the interest rate profile of the Company's interest bearing financial instruments was:

	Carrying amount	
	2009	2008
	\$	\$
Fixed rate instruments		
Financial assets	-	-
Financial liabilities	-	-
	-	-
Variable rate instruments		
Financial assets	36,953	4,569
Financial liabilities	-	-
	36,953	4,569

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed interest rate financial assets or liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have no impact on profit or retained earnings. For the analysis performed on the same basis as at 30 June 2008 there was also no impact. As at both dates this assumes all other variables remain constant.

(d) 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.

Notes to the financial statements continued

Note 21. Financial risk management (continued)

(e) 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
- (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.

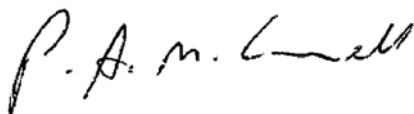
There were no changes in the Company's approach to capital management during the year.

Directors' declaration

In accordance with a resolution of the Directors of Beaumaris 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 2009 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards in Australia and Corporations Regulations 2001; 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.



Philip McConnell
Chairman

Signed at Beaumaris on 4 August 2009.

Independent audit report

Richmond Sinnott & Delahunty Chartered Accountants



INDEPENDENT AUDIT REPORT TO THE MEMBERS OF BEAUMARIS COMMUNITY FINANCIAL SERVICES LIMITED

Partners:
Kenneth J Richmond
Warren J Sinnott
Philip P Delahunty
Brett A Andrews

SCOPE

The financial report comprises the balance sheet, income statement, statement of changes in equity, cash flow statement, accompanying notes to the financial statements, and the directors' declaration for Beaumaris Community Financial Services Limited, for the year ended 30 June 2009.

The directors of the company are responsible for preparing a financial report that gives a true and fair view of the financial position and performance of the company, and that complies with Accounting Standards in Australia, in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are established to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit of the financial report in order to express an opinion on it to the members of the company. Our audit has been conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly in accordance with the Corporations Act 2001, including compliance with Accounting Standards in Australia, and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the company's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report; and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant account estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

We performed procedures to assess whether the substance of business transactions was accurately reflected in the financial report. These and our other procedures did not include consideration or judgement of the appropriateness or reasonableness of the business plans or strategies adopted by the directors and management of the company.

Woodbury Court, 172 Melvor Road Bendigo 3550. PO Box 30 Bendigo 3552. Ph: (03) 5443 1177. Fax: (03) 5444 4344. Email: rsd@rsdadvisors.com.au
ABN 60 616 244 309

Liability limited by a scheme approved under Professional Standards Legislation

Independent audit report continued

INDEPENDENCE

We are independent of the company, and have met the independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

AUDIT OPINION

In our opinion, the financial report of Beaumaris Community Financial Services Limited is in accordance with:

- (a) 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 year ended on that date; and
 - (ii) complying with Accounting Standards and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements in Australia.

Richmond Sinnott & Delahunty

RICHMOND SINNOTT & DELAHUNTY
Chartered Accountants

W. J. Sinnott

W. J. SINNOTT
Partner
Bendigo

Date: 4 August 2009

Beaumaris **Community Bank**[®] Branch
32 East Concourse, Beaumaris VIC 3193
Phone: (03) 9589 5366 Fax: (03) 9589 5277

Franchisee: Beaumaris Community Financial Services Limited
13 North Concourse, Beaumaris VIC 3193
ABN: 25 100 506 643

www.bendigobank.com.au
Bendigo and Adelaide Bank Limited,
The Bendigo Centre, Bendigo VIC 3550
ABN 11 068 049 178. AFSL 237879. (BMPAR9036) (08/09)

This Annual Report has been printed on 100% Recycled Paper